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REVIEW OF LABOUR AND EMPLOYMENT TRENDS IN THE WEST BANK AND GAZA STRIP

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REVIEW OF LABOUR AND EMPLOYMENT TRENDS IN THE WEST BANK AND GAZA STRIP

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* This study is based on the contribution of Dr. Abdelfattah Abu-Shokor (An-Najah National University, Nablus) to the intersectoral project of the UNCTAD secretariat on "Prospects for sustained development of the Palestinian economy in the West Bank and Gaza Strip". The opinions expressed in this study are those of the author and do not necessarily reflect those of the secretariat of the United Nations. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the secretariat of the United Nations concerning the legal status of any country, territory, city or area, or of its authorities, or concerning the delimitation of its frontiers or boundaries.

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List of abbreviations

CBS	Israel Central Bureau of Statistics
GS	Gaza Strip
JD	Jordanian dinar
OPT	Occupied Palestinian territory (the terms: "occupied territory" or "territory" used in this study refer to occupied Palestinian territory)
UNCTAD	United Nations Conference on Trade and Development
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
WB	West Bank
$	United States dollar
..	Data not available
-	Equals zero or negligible

Preface

(i) As part of its work programme pursuant to resolution 239 (XXIII) of the Trade and Development Board and resolution 44/174 of the General Assembly, the UNCTAD secretariat initiated, in 1990/91, the preparation of an in-depth intersectoral project on the economy of the West Bank and Gaza Strip. Part one of the project deals with a comprehensive assessment of the economic and social situation in the West Bank and Gaza Strip, the main impediments to sustained growth and development, pressing needs, and corresponding measures for immediate action to promote recovery. Part two of the project constitutes an in-depth analysis of prospects under different scenarios for the future development of the Palestinian economy. Part three of the project is intended to provide both a strategy framework and policy guidelines for the revival and sustained future development of the Palestinian economy in the West Bank and Gaza Strip.

(ii) For the implementation of the project, a total of 25 in-depth studies were initiated at the field level covering economic and social sectors and issues. Concurrently, and in order to facilitate the technical aspects of work on parts two and three, the UNCTAD secretariat has also prepared an in-depth study of a quantitative framework examining future options and prospects under several scenarios. The summary findings of the first part of the field studies, in particular an identification of pressing needs and corresponding feasible measures for immediate action, were presented for further consideration by an expert group meeting (held in May 1992). The report of that meeting was published separately (UNCTAD/DSD/SEU/2). The secretariat's study of a quantitative framework for analysing future prospects will be published as UNCTAD/ECDC/SEU/6.

(iii) In order to provide more detailed substantive background to the findings and recommendations of the expert group meeting, and to enable donors to further develop their programmes of assistance to the Palestinian people, the first parts of a selected number of field studies commissioned within the scope of this project are being published in a special study series on Palestinian economic and social development. The second and third parts of the field studies will be subsequently consolidated by the UNCTAD secretariat. The present document constitutes part one of the study prepared by a consultant, Dr. Abdelfattah Abu-Shokor, An-Najah National University, Nablus, West Bank, on labour, employment and human resource development in the West Bank and Gaza Strip.

(iv) It should be noted that, in view of the early completion of the in-depth sectoral studies undertaken within the context of the intersectoral research project, the implications of the accords concluded between Israel and Palestine in 1993 and 1994 could not be reflected in this study.

Introduction

War, civil strife and political conflict not only impede economic development, but can also bring about drastic changes in the demographic situation, including the size of labour force and conditions of the labour market. The occupied Palestinian territory is a case in point. For decades, the West Bank and Gaza Strip have been subjected to difficult circumstances. Both the 1948 and 1967 wars led to demographic changes that in turn changed supply and demand conditions in the labour market of the territory. During the period 1948-1967, the territory experienced a drain on its skilled labour force as qualified people emigrated to Jordan and the Arab oil-producing States in the Gulf. After the Israeli occupation of the West Bank and Gaza Strip in 1967, residents still sought employment elsewhere, largely in the Gulf and later in Israel. The deterioration in the economic conditions of the territory owing to the unstable political situation, the absence of a Palestinian planning authority and the restrictions imposed under occupation constrained the ability of the Palestinian economy to absorb its growing labour force, resulting in widespread unemployment. This process also resulted in a growing dependence of Palestinian labour on employment in Israel and steady emigration to Jordan and the Arab oil-producing countries in the region.

This study explores developments in the supply and demand conditions of the labour market in light of changing circumstances. Data from published sources as well as findings of field research are made use of in this study. Chapter I details the characteristics of the labour force in the occupied Palestinian territory, tracing developments in its size, age structure, participation and emigration as well as highlighting the nature of its structure. Chapter II focuses on employment of the Palestinian labour force in the territory and in Israel, reviewing the sectoral, occupational, educational and social structure in each market. Chapter III profiles unemployment in the territory and evaluates the impact of the *intifada* and Jewish emigration to Israel on the Palestinian labour market. Chapter IV examines human resource development, including the system of higher education, vocational and on-the-job training as well as the relation between the education system and the needs of the labour market. Chapter V presents conclusions and measures for action to be addressed by the responsible authorities in the future.

Chapter I

CHARACTERISTICS OF THE LABOUR FORCE IN THE WEST BANK AND GAZA STRIP

A. Main factors affecting the Palestinian labour force

The size of the labour force in an economy is directly correlated to that of its population, which constitutes the main source of labour supply. Furthermore, the age structure of the population is an important indicator of growth in the labour force. From relevant projections, an assessment of trends can be made and plans for the future drawn to accommodate the growing labour force.

Therefore, before examining the development of the labour force in the territory, it is useful to first highlight the factors that affect the demographic situation and define the correlation between the size of the population and that of the labour force.

1. Population growth

The size of the population is influenced by its natural rate of increase and the net migration movement. The rate of annual growth in overall population is a combination of these two factors.

In the occupied territory, war and the political and economic instability that ensued have led to the resettlement of a large number of people and the emigration of many in pursuit of jobs abroad. Data in table 1 indicate that the population of the West Bank and Gaza Strip increased between 1967 and 1989 from 0.97 million to 1.5 million, or by 58 per cent. Data exclude the population of east Jerusalem which was estimated at 136,500 in 1987. 1/ Using the annual rate of growth for the West Bank (3.1 per cent for 1988 and 2.3 per cent for 1989), the population of east Jerusalem is estimated at 144,000 for 1989 and total population of the territory at 1.7 million during the same year.

The data in table 1 are based on estimates and not on a census. A census was carried out once in the occupied Palestinian territory in 1967; and the estimates published by the Israel Central Bureau of Statistics (CBS) and most other sources are based on this census. Some unofficial Palestinian and Israeli estimates of population are based on sample surveys and indicate a population greater than that estimated by CBS. 2/

As in many developing countries, the natural rate of growth of the Palestinian population is high. During 1968-1989, this rate increased from 2.2 to 4.1 per cent in Gaza Strip, and from 2.2 to 3.8 per cent in the West Bank. The rate of natural increase of population in developing countries was estimated at 2.0 per cent in low-income countries and 2.1 per cent in middle-income countries during 1984-1990. 3/ Based on the high rate of natural increase, the population of the territory should have almost doubled by now. However, owing to emigration of large numbers of Palestinians in the wake of the Middle East war in June 1967, this increase has not materialized. 4/

Age structure in the territory is similar to that in many developing countries, where 40 to 50 per cent of the population is below the age of 15. 5/ Data in table 2 confirm this, as the percentage of the population aged 14 years and below was 47.4 per cent in the West Bank, and 49.5 per cent in Gaza Strip in 1988.

The high percentage of population below the age of 14 in the West Bank and Gaza Strip implies the small size of the labour force as compared to developed countries. Coupled with a high percentage of those aged between 15 and 44 years (40 per cent and 39.6 per cent in the West Bank and Gaza Strip, respectively), which indicates a high birth rate, the current age structure of the labour force calls for appropriate economic plans to absorb the large number of present and expected new entrants into the labour force.

2. Size of the labour force, its annual rates of increase and participation

The size of the labour force in the territory increased from 180,800 in 1970 to 290,300 in 1989, or by 60.6 per cent (see tables 3 and 4). This translates into an average annual increase of approximately 2.3 per cent for the same period.

Data given in tables 3 and 4 indicate low participation rates in the West Bank and Gaza Strip, among the lowest reported worldwide. 6/ The rate, which measures the proportion of the total population engaged in the labour force, ranged from 15.9 per cent in 1968 to 20.7 per cent in 1989 for the West Bank, and 15 per cent to 16.5 per cent for Gaza Strip during the same period. This is due to migration, low female participation rate and the high percentage of people studying at schools and/or universities. The low labour force participation rate translates into a high dependence rate reaching 4.8 and 6 persons per labour force member in 1989 for the West Bank and Gaza Strip, respectively.

In 1975, the world dependency rate averaged 2.4; for developing countries it stood at 2.5. 7/ The rate was even higher for some Arab countries such as Egypt, Libyan Arab Jamahiriya, Sudan, and Lebanon, where it was 3.6, 3.7, 4.0, and 3.6, respectively. 8/

The crude activity rate in the West Bank, which measures the proportion of the working age population engaged in the labour force, grew from 30 per cent in 1968 to over 40 per cent by 1989. In Gaza Strip, this rate was lower, ranging from 29.4 per cent in 1968 to 33.6 per cent in 1989. The crude activity rate in the occupied Palestinian territory as a whole (37.7 per cent in 1989) is close to that found in Jordan where it stood at 33.9 per cent in 1987. 9/ In Israel, this rate was put at 52 per cent in 1989. 10/ The overall low crude activity rate of the labour force in the territory reflects the high proportion of those aged under 14 years, the high percentage of working age population enrolled in schools and universities, the low female crude activity rate, emigration and the engagement of many female labourers in the informal labour market. 11/

The crude activity rate of females in the labour force of the territory is low, ranging from 8.3 per cent to 17.8 per cent in the West Bank, and from 2 per cent to 6.4 per cent in Gaza Strip, during 1968-1989. The crude activity rate of females in the territory is lower than the overall world rate of 29.1 per cent and even lower than the average rate of 26.4 per cent for developing countries. 12/ This low rate is due to customs and traditions that confine women to the care of domestic affairs. Women who withdraw from the labour market, due to marriage or child care, seldom rejoin the work place. In addition, the low educational level of females limits work opportunities.

Conversely, the crude activity rate of males in the territory is relatively high. This rate rose from 56.5 per cent in 1968 to 73.6 per cent in 1989 in the West Bank, and from 58.8 per cent to 66.8 per cent in Gaza Strip during the same period. This rate is higher than the world average of 53.8 per cent and even higher than the average rate of 52.5 per cent prevailing in developing countries. It is similar to that of some Arab countries, such as Egypt, the Syrian Arab Republic and Lebanon where the respective crude activity rate of males registered 51.3 per cent, 45.2 per cent and 42.1 per cent. 13/

3. Emigration and its effect on the labour force

Emigration is considered to be a major factor affecting the size of the labour force in the territory. The phenomenon began in the late 1940s and continued until the war in June 1967. A total of around 400,000 persons emigrated from the West Bank to the East Bank of Jordan and to the Arab States of the Gulf, particularly Kuwait. 14/ In the wake of the war in June 1967, about 200,000 persons emigrated from the West Bank. 15/ The wave of emigration from the West Bank remained steady during the 1970s and until the mid-1980s.

The net emigration from the West Bank during the period June 1967 to the end of 1988 may be calculated at 370,400 persons, equivalent to a 41.4 per cent loss of inhabitants during that period. 16/ Emigrants from east Jerusalem are not included in the official Israeli statistics on net migration movement in the West Bank. However, their official and legal status under Israeli rule and the greater ability of the east Jerusalem economy to support its population as compared to more disadvantaged areas of the territory, probably mitigated in favour of somewhat lower emigration rates than the rest of the West Bank.

In Gaza Strip, net emigration between June and December 1967 was estimated at 31,000 persons or 8 per cent of the inhabitants. Like the West Bank, the wave of emigration did not cease and the number of net emigrants from June 1967 until the end of 1988 may be calculated at 129,600 persons, 17/ or 22 per cent of the inhabitants.

Emigration from the territory accelerated after 1967, especially during the period 1975-1982 when the rate ranged from 23.9 persons per thousand population in 1980 to 10.5 in 1982 in the West Bank; and from 11.2 persons per thousand in 1980 to 6.2 in 1982 in Gaza Strip. 18/ The average before 1967 was 2.5 emigrants per thousand in the West Bank. 19/

Lack of domestic employment opportunities was deemed the major reason for emigration. A field study carried out in 1985 revealed that 67 per cent of the emigrants from the West Bank were males, whereas in Gaza Strip the figure was 80 per cent. 20/ The study concluded that most emigrants were young, in the 21-35 age group. In the West Bank, of the total emigrants, 69 per cent was in the 21-35 age group which 23 per cent represented the 36-50 age group. In Gaza Strip, the percentage was 58 per cent for the 21-35 age group, and 34 per cent for the 36-50 age group. 21/

The lack of jobs in the territory and availability of employment opportunities in the countries of the region constituted, at the time, the major push and pull factors to emigration. The 1985 field study also revealed that some 51 per cent of emigrant labourers surveyed in the territory attributed their emigration to work opportunities in host countries and to lack of jobs in the occupied Palestinian territory. In addition, higher wages in host countries constituted another pull factor for Palestinian labourers. 22/

From the above, it may be concluded that emigration of Palestinian labourers from the occupied Palestinian territory constrained labour supply in the territory, functioning as a vent that reduced unemployment, particularly structural unemployment.

B. The structure of the labour force

1. Labour force structure by gender and age

Data in tables 3 and 4 indicate that males dominate the labour force of the territory, constituting 89.3 per cent of the labour force in 1989 in the West Bank and 96.9 per cent in Gaza Strip. From 1968 to 1980, the percentage of males in the labour force dropped from 85.2 per cent to 81.3 per cent in the West Bank but increased from 87.7 per cent to 93.2 per cent in Gaza Strip. This figure is attributable to high emigration of young men, especially from the West Bank, and does not reflect increasing female labour force participation.

Official Israeli statistics refer only to the distribution of the male labour force according to age; and no disaggregated data by age is available on the female labour force in the territory. Table 5 shows that the male labour force in the occupied territory is predominantly and increasingly young, falling within the age group 15-34 years, constituting 71.8 per cent of the labour force in 1989 in the West Bank, and 72.3 per cent in Gaza Strip. It is expected that this age group's contribution to the labour force will increase as almost 50 per cent of the population of the West Bank and Gaza Strip are below the age of 14. The age curve of the male labour force in the occupied territory follows the natural pattern that begins by a gradual rise of the 18-24 age group and reaches its peak in the 25-34 age group, above which it gradually declines.

Statistics on the age distribution of the female labour force in the territory are lacking. However, in one broadly comparable society, that of Jordan, most females fall into a narrow age group. A study of labour force in Jordan, conducted by the Statistics Department in 1987, revealed that the percentage of female participants in the labour force was highest in the

20-24 age group, contributing some 20.4 per cent. This is approximately 10 years lower than that for males. The age curve for females begins to fall thereafter. The percentage of female labourers within the 15-34 age group constitutes 80 per cent of total female labourers. 23/ This is owing mainly to social customs and traditions that prompt females to leave employment after marriage or childbirth, in order to devote themselves to domestic work and child-care. 24/ These, and other common factors, imply broadly similar trends among Palestinian women in the occupied territory, especially the West Bank.

2. The geographic distribution of the labour force

The geographical distribution of the Palestinian labour force may be examined by administrative divisions of the West Bank and Gaza Strip and the place of residence of the labourers. As available data follow official administrative divisions and so exclude east Jerusalem, estimates for this have been made and added to the West Bank data.

Table 6 shows that the Hebron area accounts for the highest share of the labour force at 19 per cent followed by the Ramallah area at 15 per cent. In east Jerusalem, Jenin, Nablus, Bethlehem, and Jericho each account for around 13 per cent with Tulkarm, at 12 per cent, being the lowest contributor to the labour force. In Gaza Strip, Gaza city accounts for 57 per cent, the Khan Yunis area for 31 per cent, and the Rafah area for 12 per cent of the labour force. These proportions broadly reflect the geographic distribution of population, albeit with minor deviations.

Table 7 presents a breakdown of the labour force according to urban, rural, and refugee camp areas. The data indicate that in 1985, 45 per cent of the Palestinian labour force in the West Bank resided in urban centres, 38 per cent in rural areas, and 17 per cent in refugee camps. The labour force distribution does not mirror population distribution, especially for rural areas. 25/ This indicates a trend of emigration of labour from rural into urban areas of the West Bank. Some 48 per cent of Gaza Strip labour force resides in cities, 47 per cent in refugee camps, and only 5 per cent in rural areas. This disparity is owing to the existence of large refugee camps and only a few villages, as compared to a much larger rural population and labour force in the West Bank. The long-term implications of such a large rural/refugee camp labour force call for careful consideration of future investment and job-creation schemes in order to avoid uncontrolled and unsustainable rural-urban labour migration.

3. Social status of the labour force

Official Israeli statistics include information on the social status of the labour force in the territory. From these statistics, it may be concluded that the percentage of those never married among the labour force is much less than those married. The unmarried represented 37 per cent of the labour force in 1987 in the West Bank and 30 per cent in Gaza Strip. 26/ The high percentage of married workers in the labour force was owing to the higher percentage of males in the labour force, most of whom are married, as females tend to leave employment upon marriage. 27/

The 1985 field study referred to earlier, indicated a higher percentage of married workers in the surveyed labour force of the territory compared to that published by the CBS. Based on this study, table 8 shows that the share of unmarried workers in the surveyed labour force in the West Bank was 8 per cent and in Gaza Strip only 4 per cent. The discrepancy with the official data appears to be owing to definitional and methodological differences between the two sources.

4. Educational level of the labour force

Education affects participation rates in the labour force in two ways. First, enrolment in the educational system lowers participation rates in the labour force within the younger age groups, as students postpone joining the labour force until they acquire an appropriate level of education or vocational/technical qualification. Secondly, education tends to increase the participation rates in the labour force of all age groups in general, and female groups in particular.

The educational level of the labour force is highly correlated with the level of labour productivity; an effective educational system is a necessary requirement for sustained economic and social development. In addition, educational levels affect directly the participation rates of males and females in the labour force, but particularly that of females as more educated females often seek employment in the labour market. Usually, the kind of work available for uneducated members of the labour force is unacceptable to women owing to traditions and customs (e.g. in construction or other sectors which rely heavily on unskilled, daily workers).

The results of the 1985 study cited earlier do not differ from these general trends. Table 9, derived from that study, indicates a low percentage of illiteracy among labourers in the territory, notwithstanding a generally low educational level. Illiterate labourers and those that can only read and write accounted for 23 per cent of the labour force in the West Bank and 29 per cent in Gaza Strip. Skilled labourers with qualifications such as an intermediate diploma or a university degree account for 14 per cent in the West Bank and in Gaza Strip. This low percentage is attributed to the emigration of skilled and professional workers from the West Bank and Gaza Strip. On the other hand, demand in the Israeli labour market is confined largely to unskilled labour from the occupied territory. 28/

In addition, there are differences in the educational level of the labour force among urban, rural, and refugee camp areas. Table 9 indicates that in 1985 39 per cent of illiterate labourers of the West Bank come from rural areas, 32 per cent from cities, and 28 per cent from refugee camps. As for labourers who can read and write, 48 per cent reside in rural areas, 35 per cent in cities, and 17 per cent in refugee camps. As for labourers who completed elementary, preparatory or secondary levels of education, the majority come from urban areas. These figures appear to confirm that the educational level of the urban labour force in the West Bank is higher than that of rural and refugee labour force.

For Gaza Strip, available data in table 9 indicate that 60 per cent of illiterate labourers of Gaza Strip come from the refugee camps, 34 per cent from urban centres, and 5 per cent from rural areas. Concerning labourers who completed elementary, preparatory or secondary levels of education, more came from cities than refugee camps; the same is true of skilled labourers with university degrees. This situation reflects the concentration of educational institutions and facilities in the urban areas of Gaza Strip, and the greater economic and educational obstacles confronting disadvantaged social groups, especially refugee camp dwellers.

Chapter II

EMPLOYMENT IN THE WEST BANK AND GAZA STRIP

A. Characteristics of employment

1. Sectoral structure

The sectoral structure of the labour force is an important indicator of the level of economic development reached by a country. Developing countries are characterized by higher share of employment in the agricultural sector, as compared to the higher share of employment in the industrial and services sectors in developed market economies. In many developing economies, the share of labour in services tends to increase more rapidly than that in industry as the former sector is more adapted to absorbing labour force from the rural/agricultural sector in low-skilled distributive or personal services. In addition, the industrialization process employs fewer labourers than those released from the rural sector in the course of the process of agricultural modernization and development.

Data in tables 10-a and 10-b show the continuous decrease of the agricultural sector's share in the labour force of the occupied territory. In the West Bank, the agricultural sector's share in the labour force had dropped from 39 per cent in 1970 to 20 per cent by 1989; for Gaza Strip it had declined from 33 per cent to 19 per cent during the same period. Even though the pattern is similar to that of developing countries, the underlying causes are not. Policies and practices under occupation encouraged labour from the territory to disengage from the agricultural sector. Rather than entering the industrial sector (which at most stages has been incapable of effecting major absorption of labour) much of the displaced labour was induced to seek employment in the Israeli labour market. The balance endeavoured to move to various professions in the construction and domestic services sectors. As a result, the share of the Palestinian labour force remained unchanged in the industrial sector, at around 16 per cent in the West Bank and 13 per cent in the Gaza Strip, reflecting the stagnant structure of the industrial sector in the territory.

A continuous rise in the share of the labour force in the construction sector took place during 1970-1989, reflecting the increasing number of Palestinians working in the construction sector both in Israel and the occupied territory. The share of the labour force in domestic construction rose from 15 per cent in 1970 to 26 per cent in 1989 in the West Bank and from 12 per cent to 29 per cent in Gaza Strip. Also, the share of labour force employed in commerce, restaurants and hotels increased from 11 per cent in 1970 to 14 per cent in 1989 in the West Bank and from 16 per cent and 18 per cent in Gaza Strip during this period.

The sectoral employment of the labour force by sex shows that the highest percentage of males in the West Bank has been employed in the construction sector, followed by agriculture and industry. Similarly, for Gaza Strip, the construction sector accounts for the largest share of employed labour followed by agriculture. As for females, agriculture absorbs the highest percentage in

the West Bank followed by public and community services. In Gaza Strip, the largest proportion of the female labour force is employed in public and community services followed by industry.

The differentiated sectoral distribution of the labour force according to gender reveals some of the factors affecting female participation. This situation corresponds to many other developing economies whereby rural women tend to find employment in labour-intensive agriculture while those urban women active in the labour force tend to concentrate in public services which are best suited to their education, skill development and social status. The sectoral distribution of the male labour force, on the other hand, corresponds clearly to the sectoral structure of demand for Palestinian manpower, with construction and agriculture predominant.

2. Occupational structure

More so than the sectoral distribution of the labour force, the occupational structure plays an important role in guiding the planning efforts of a country. This distribution defines most clearly the various types of labour available and needed to elaborate and implement development policies. While occupational distribution is largely a function of an economy's sectoral development, other factors, especially education and social status can play an important role.

The data presented in tables 11 and 12 indicate that the majority of the labour force in the territory are employed in production (categories 7, 8 and 9). In the West Bank, over 70 per cent of the labour force in 1989 was employed in agriculture, industry, construction and other relevant skilled or non-skilled production-related occupations; 8 per cent held scientific, professional or other highly specialized occupations; 11 per cent were employed in administrative, clerical and services areas; and 10 per cent as sales workers. The occupational structure of the labour force in Gaza Strip resembles that of the West Bank. Data in table 12 indicate that 69 per cent of labourers in 1989 worked in the production process in agriculture, industry, construction, and other relevant skilled or non-skilled areas; 7 per cent were employed in the specialized and skilled professions; 9 per cent worked as administrative, clerical and services workers and 15 per cent as sales workers.

From a closer examination of the occupational distribution of labourers in the territory, disaggregated by sex, data in tables 11 and 12 indicate a remarkable difference between the occupational distribution of males and that of females. The highest percentage of male labourers is found in production related occupations, accounting for 72 per cent in the West Bank, and 71 per cent in Gaza Strip.

Agriculture absorbed the highest percentage of females in 1989, at 52 per cent, followed by professional workers, at 27 per cent. During 1972-1989, the percentage of female workers in production-related professions in the West Bank dropped from 74 per cent to 61 per cent with a simultaneous rise in the share of female workers in specialized and skilled professions, growing from 18 per cent to 27 per cent. In Gaza Strip, the highest share of female workers was in specialized and skilled professions, estimated at 74 per cent in 1989; this was followed by administrative, clerical and

services, at 8 per cent and sales workers, at 6 per cent. The percentage of female workers in productive professions, both skilled and non-skilled, had decreased from 42 per cent in 1972 to 12 per cent by 1989, indicating a significant occupational advancement of employed Palestinian women over the period. However, while this may indicate the entry of new female workers into more advanced occupations, it also involved the "de-activation" of a part of the female rural labour force with the decline of agriculture.

It should be noted that there have been some important shifts between 1972 and 1989 among certain occupations (especially with the decrease in the proportion of agricultural workers). However, the broad occupational distribution, as between so-called "white-collar" occupations (categories 1-6) and "blue-collar" occupations (7-9), has remained fairly rigid in both the West Bank and Gaza Strip. This is especially true for males, while among females there has been a growing concentration in professional/technical occupation and public and community services parallel (though not linked) to the decline in the proportion of female agricultural workers. Indeed, if anything the main impact on occupational structure of the decline in agricultural employment since 1967 has been to inflate the unskilled category of "other workers in industry, transport and building" especially in Gaza Strip. This occupational stagnation reflects clearly the weak structural transformation experienced by the Palestinian economy since 1967.

3. Work conditions in the territory

(a) Employment status

The process of economic and social development effects dynamic changes in the labour market. One notable result of the development process in most economies is the transformation of many economic activities from small family-owned and managed enterprises into relatively larger establishments characterized by more sophisticated and advanced technical standards and correspondingly different labour force requirements. In such circumstances, the percentage of self-employed and those working for the family without a wage tends to decrease as the share of regularly engaged employees increases.

This situation has not been experienced in the Palestinian territory. The employment situation there, as depicted in table 13, reveals that although the number of employees has increased since 1970, this has not been primarily the result of economic growth in the territory. The increase reflects more specifically growth of employment opportunities in Israel. The number of Palestinians working in Israel, or domestically, doubled between 1970 and 1989 with their share of total employment growing from 56 per cent to 61 per cent. In Gaza Strip, the same trend had also emerged, albeit with less intensity.

Though Israel CBS data do not readily identify the distribution of employees between those working domestically and in Israel, this may be estimated indirectly. Since the total number of **employed persons** in Israel is known, and since the vast majority of them are **employees**, the estimated number of **employees** in the Palestinian domestic labour market can be calculated. Using this method, it is estimated that in the West Bank the total number of employees in the local economy grew marginally between 1970 and 1989, from 42,000 to 45,000, while in Gaza Strip, the number of employees in the local economy declined in the same period, from 29,000 to 22,000. In the West Bank,

the share of locally employed fell from 42 per cent in 1970 to 39 per cent by 1989; in Gaza Strip the fall was even greater, from 55 per cent to 37 per cent.

These data point to growing informal, small-scale, self-employment modes of economic activity in the territory. The process of contraction in the occupied territory's agriculture has not significantly spurred, or been followed by, more advanced forms and sources of employment in other vital sectors involved in production. In fact, as regards employment status, the past 25 years have witnessed growing irregularity in the employment situation, especially among the rural and refugee-camp labour force.

Table 14 indicates that the private sector was the largest employer in the West Bank in 1985, accounting for 26 per cent of formal employment. The government and municipalities' sector accounted for 23 per cent; United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) absorbed 6 per cent and the balance of 45 per cent were mobile daily workers who moved between domestic sectors and occasional jobs in Israel according to changing opportunities. In Gaza Strip, the public sector (government and municipalities) absorbed the largest proportion of formal employment, accounting for 25 per cent, followed by the private sector, at 18 per cent, and UNRWA, at 11 per cent. Daily workers accounted for more than 46 per cent of the total number of those employed. While a certain number of daily workers may have found employment in the private sector (on an informal/occasional basis), formal private sector employment has been overshadowed by the share of public and community service employment (i.e. including UNRWA), highlighting the weaknesses of Palestinian private productive and services sectors.

(b) Wages in the territory

Wages in the territory are paid on a monthly, weekly, daily, hourly or per-piece basis. Official Israeli statistics refer only to the average daily wages of employees in the West Bank and Gaza Strip by economic sectors. There is no disaggregation of daily wages by localities, such as rural, urban or refugee camp. In order to provide a wider description of prevailing wage rates, reference is made to the above-mentioned 1985 field survey, in examining the various wage rates in urban, rural, and refugee camp areas. The discrepancy in daily wages between those reported in the survey and the Israeli statistics may then be clarified.

Table 15 depicts a steady increase in the average daily wage rate in the territory across various sectors. This increase accelerated notably as of the mid-1980s. However, despite the rise of nominal daily wages, during 1985-1989 by 100 per cent in the West Bank and even more in Gaza Strip - high rates of inflation coupled with devaluation of the Israeli currency have eroded the real wage rate and the purchasing power of residents of the territory. The cumulative impact has been to bring wage levels in the territory more in line with those prevailing at the lower end of the Israeli market, though still well above those prevailing in Jordan or other neighbouring countries.

Table 16, based on 1985 field data, indicates that the daily wage in the West Bank and Gaza Strip in that year was $10 on average. There is a clear difference in the wage rate between urban centres, on the one hand, and rural

areas and refugee camps, on the other. Furthermore, the daily wage in urban areas in the West Bank is double that of Gaza Strip. This may be attributed to the better economic conditions and greater diversification of the West Bank urban economy, as compared to Gaza Strip. By contrast, the daily wage rates in rural areas and in refugee camps of Gaza Strip are higher than those in the West Bank. This would appear to reflect the overall greater degree of "urbanization" in Gaza Strip whereby refugee camps are effectively extensions of urban areas and villages are more closely linked to the urban economy than in the West Bank. Comparisons between average daily wages reported by the survey and those by CBS show that the latter estimates are lower. This may be because the 1985 survey data include east Jerusalem where wages are much higher, whereas the official Israeli statistics exclude the labour force there.

Data in table 16 also indicate that there is a difference in the average monthly wage rate between rural, urban and refugee camp areas. As compared with the average monthly wages in Israel, estimated at $478 in 1985, local wage rates are 40 to 60 per cent lower, depending on the area. 29/ The monthly wages in the West Bank are highest in urban areas and in general are much higher than those in Gaza Strip. On the other hand, the average weekly wage is higher in Gaza Strip than in the West Bank. This is attributable to the fact that the majority of those paid on a weekly basis are in refugee camps, where UNRWA wage levels are higher than elsewhere in the Strip.

(c) Number of working days and hours

The number of total working days per year in the territory increased steadily, reaching its highest level in 1987 at 1,211,000 working days in the West Bank and 534,000 working days in Gaza Strip, equivalent to a rise of 27 per cent and 13 per cent over the 1981 level, respectively. 30/ The increase in the number of working days reflects the increase in the size of the labour force in the territory over the same period, which increased during 1981-1987 by 35 per cent in the West Bank 31/ and by 22 per cent in Gaza Strip. 32/ However, these figures disguise the fact that the average hours worked per employee fell during the same period, as the local economy did not expand in line with growth in labour supply, with employment in Israel remaining the only alternative.

With the outbreak of the Palestinian *intifada* in 1988, the number of monthly working days decreased notably as a result of partial strike days and the increase in the number of days of general strikes. In addition, the frequent imposition of curfews by the Israeli authorities contributed to the reduction in the number of monthly working days in the territory. Hence, the number of monthly working days dropped in 1988 to 915,000 in the West Bank, and 422,000 in Gaza Strip, then rising in 1989 to 1,002,000 in the West Bank and 442,000 in Gaza Strip, but still below the 1987 levels. 33/ This trend created additional labour market pressures, in terms of encouraging under/unemployment and of depressing wage levels and demand. Table 17 indicates that average monthly working days decreased from 24.2 in 1987 to 21.5 in 1989 in the West Bank and 24.1 to 19.4 in Gaza Strip. Table 17 also details the average monthly work days per employee for the West Bank and Gaza Strip for selected economic branches. As may be expected, employees in public services were the least affected, while other sectors contracted more

sharply, especially construction, industry, and agriculture in Gaza Strip (a decrease of over 30 per cent in labour input from 1987 to 1989) and commerce in both the West Bank and Gaza Strip (by over 20 per cent in the same period).

In the West Bank, during 1980-1987, the average number of weekly working hours ranged from 43 to 44.1 then dropped with the onset of the *intifada* to 30.2 in 1988 and 32.9 in 1989. 34/ In Gaza Strip, the average number of hours ranged from 42.3 to 42.6 during 1980-1987, and decreased to 34 in 1988 and 35.9 in 1989. The average weekly hours for the territory remains less than that in Jordan where it is estimated to be 45.1. 35/ With the prevalence of the six-day work-week in the territory, it is estimated that the number of hours worked per day after the onset of the *intifada* was respectively about 5.5 and 6 hours in the West Bank and Gaza Strip. Such levels imply weak and sluggish production and economic activity in these circumstances.

(d) Employment benefits in the territory

Work benefits acquired by employees are considered to be part of the total employment package. They usually vary from one country to another according to the prevailing labour legislation. In the Palestinian territory, these benefits appear to be minimal as compared to some developed countries. For example, in many developed countries employees are entitled to both sick and annual leaves of respectively 5 and 30 days a year. 36/ Current labour law in the territory stipulates that employees of institutions that employ five or more workers are entitled up to 21 days of annual leave. Other categories of employed persons are not covered by such provisions.

The majority of the employees in the territory are not covered by a health insurance scheme. Benefits such as unemployment compensation, coverage against injuries at work and other kinds of privileges are not common practice in the West Bank and Gaza Strip. Moreover, it is estimated that fewer than 50 per cent of employees have written contracts with their respective employers and those are mainly in urban centres. The prevalence of daily or irregular work status and the absence of legal contracts provide for minimal protection or job security for most labourers in the territory. Labour market agreements are based on direct relations between the employers and employees and are regulated on a basis of personal trust rather than written labour contracts.

(e) Trade union organization

Trade and labour unions aim at improving the economic and social conditions of labourers, representing their interests vis-à-vis the employers or the state. The development of trade unions in a country tends to be correlated with the stage of industrialization and economic development, resulting, inter alia, in an increase in the number of regular wage labourers.

The issuance of the Jordanian labour law No. 35 in 1953 marked the beginning of labour union formation in the West Bank. Later, this law was repealed and replaced in 1960 by labour law No. 21, which became the law governing labour unions in the West Bank. 37/ By 1967, some 29 labour unions were registered in the West Bank and 7 in Gaza Strip. 38/

Under occupation, labour union activities were curtailed and some unions were suspended. However, since 1979 and as a result of the increasing number of wage labourers in the West Bank and Gaza Strip, labour unions have intensified their activity. About 24 new labour union organizations were formed. Some of them were registered officially, while others were not recognized by the authorities or by Israeli employers. 39/

The percentage of labourers belonging to unions in the West Bank was estimated in the mid-1980s at 21 per cent, higher than that of any developing country. 40/ For example, in India, with a wide industrial infrastructure, only 5 per cent of labourers were unionized. 41/ Gaza Strip resembles the average for developing countries, with only 3 per cent of its wage earners, mostly from refugee camps, belonging to unions. 42/ Despite the relatively high rate of average enrolment in unions in the territory, which may be particularly ascribed to the political activism of many Palestinian trade unions, enrolment remains relatively low when compared to developed countries such as Germany where the rate reached almost 42 per cent in 1985. 43/ Labour unions in the territory continue to be weak as many employees do not realise their advantages. In addition, the unions could not defend the interests of workers in Israel, thus diminishing their effectiveness.

B. Palestinian labourers in Israel

1. Number of Palestinian labourers in Israel

During the early years of occupation, only a few thousand labourers from the territory were allowed to work in Israel. They had to obtain special permits issued by the authorities, totalling 5,000 in 1968 and 10,200 in 1969. 44/ Starting in 1971, the number of Palestinian labourers working in Israel increased steadily. This was mainly owing to job opportunities resulting from the rapid expansion of construction activities in Israel. Furthermore, the contraction of agricultural employment in the territory resulted in the release of a large number of Palestinian labourers who could not find alternative job opportunities in the local market. Table 18 depicts the number of Palestinian labourers working in Israel. The figure increased more than five-fold from 22,600 in 1970 to 129,500 in 1987, constituting in that year 42 per cent of the total labour force in the territory. 45/ By that stage, work in Israel effectively constituted a sector of its own and the predominant source of employment and income for Palestinian labourers, contributing one-third of gross national product (GNP). In 1989, the number employed in Israel decreased to 125,000, or 40 per cent of the total Palestinian labour force. The majority of Palestinians working in Israel were male and the bulk came from rural areas and refugee camps. 46/ With the impact of the *intifada*, Israeli measures and the aftermath of the Gulf War, the total number of Palestinians working in Israel began to fall steadily, reaching no more than 60,000 to 70,000 by 1992. 47/

2. Sectoral distribution of Palestinians working in Israel

Table 19 depicts the sectoral distribution of Palestinians working in Israel. The construction sector is the largest employer, absorbing around half of Palestinian workers in Israel. The Israeli agricultural, industrial and services sectors employ the rest, with the share of the latter increasing. The share of Palestinian employment in the Israeli agricultural sector

decreased during 1970-1989, whereas that of the industrial and services sectors increased up to 1987. Table 18 traces the origin of Palestinian workers in Israel, with the West Bank including east Jerusalem, accounting for over two-thirds of the total. The main difference between workers from the West Bank and Gaza Strip is that the former tend to be less engaged in the agricultural sector than those from Gaza Strip. 48/ The proportions of those working in the industrial sector tend to be the same for both areas. 49/

It must be noted that data in table 19 do not include Palestinian labourers from east Jerusalem, who are distributed among the construction, industry, and transport sectors as well as restaurants, hotels and personal services, with scarcely any in the agricultural sector. It is estimated that by 1987, 75 per cent of these labourers worked in both the construction and industrial sectors, 18 per cent worked in personal services, transport, commerce, restaurants and hotels services and only 7 per cent worked in agriculture. 50/

Israeli statistical data do not refer to the distribution of female Palestinian labourers in Israel. It is, however, estimated that almost 60 per cent of Palestinian females employed in Israel worked in agriculture and 11 per cent worked in factories in cleaning jobs rather than production. 51/ The balance worked in personal services where their jobs were also confined to cleaning.

3. Occupational structure of Palestinians working in Israel

Israel CBS statistics depict a relatively high education level of Palestinian workers in Israel. According to these statistics, 55 per cent of all Palestinian workers in Israel in 1987 had acquired less than nine years of schooling. 52/ The field survey conducted in 1985 reveals different findings: the educational level of Palestinian labourers in Israel is low, with only 33 per cent reaching nine years of schooling. 53/ The discrepancy may be owing to differences in definitions and survey methods (in particular the less comprehensive nature of the 1985 survey). The low percentage of skilled and highly educated workers is a result of Israeli demand for unskilled and semi-skilled Palestinian workers, largely in the construction sector but also in the industrial and agricultural sectors.

4. Work conditions of Palestinian labourers in Israel

(a) Employment status

The overwhelming majority of the Palestinian labour force in Israel works on a daily, hourly or per-piece basis. Only 6 per cent work on a contractual basis. 54/ Israeli labour law applies to those labourers who acquire work permits from employment offices in the territory. These are estimated to constitute only a quarter of the total number of Palestinian labourers in Israel. 55/ Those who do not acquire such work permits are considered to be working illegally. Consequently, their employers are not bound by the labour law and are free to offer any or no privileges. Palestinian workers without contracts are liable to arbitrary dismissal by their employers.

(b) Wages and labour input

As the majority of Palestinian labourers in Israel are employed on a daily basis, the discussion of wages here is confined to the average daily wage. Table 20 indicates that the average nominal daily wage of Palestinian labourers in Israel increased from $3.4 to $18.7 during 1970-1989 for West Bank workers. For Gaza Strip workers, the average nominal daily wage increased from $3.4 to $21.2 over the same period. The highest daily wage rate was paid in the construction sector, where in 1989 it reached $20.9 and $22.2 for workers from the West Bank and Gaza Strip, respectively.

As compared to the rising price level, especially in the 1980s, average real wages are estimated to have decreased. The average nominal daily wage represents net pay after several deductions have been made, including income tax, Israeli national insurance, unemployment contribution, value-added tax, labour union enrolment fee, and health insurance. These deductions can amount to as much as 50 per cent of gross wages. 56/ For most workers, the costs of transportation to jobs in Israel, in some cases amounting to one-third of net wages, further shrinks their take-home pay.

According to the 1985 field survey, the average nominal daily wage for a Palestinian labourer in Israel accounts for only 36 per cent of that of his Israeli counterpart. 57/ Conversely, the average nominal daily wage of the Palestinian labourer in Israel exceeded that in the West Bank by 18 per cent and that in the Gaza Strip by 15 per cent in 1989. However, once the deductions from the wages of Palestinian labourers working in Israel are effected, the average nominal daily wage in the territory may be higher than that paid to a Palestinian labourer for an equivalent job in Israel, as Palestinians employed in Israel cannot benefit from many of the contributions for which they pay.

Finally, it should be noted that the wage level of Palestinian labourers from the territory working in Israel does not represent a strong pull factor to work in Israel. Rather, it would appear that push factors such as the deterioration of economic conditions resulting in widespread unemployment in the territory have prompted Palestinian labourers to work in Israel.

Table 21 indicates that the average number of monthly working days for West Bank labourers in Israel in 1987 was 22.5 days, a level which decreased following the *intifada*. The same trend was observed in Gaza Strip, where the average number of monthly working days in 1987 was 21.2; it has decreased since. In most sectors of employment in Israel, the decrease in the average number of monthly work days after 1987 was not as precipitous as in domestic economic sectors. Adverse conditions during this period appear to have affected workers in the domestic market more than those who continued to work in Israel.

(c) Health and safety

Although CBS publications do not refer to professional health and safety, social insurance, and other privileges available to the Palestinian labourers in Israel, a 1983 publication issued by the Israeli Ministry of Labour and Social Welfare indicates that the safety and health of Palestinian labourers are insured. 58/ This insurance includes treatment in Israeli hospitals in

case of injury during working hours. Every worker and his family is covered by health insurance in the clinics and hospitals of the West Bank and Gaza Strip. These benefits apply only to those Palestinians working in Israel through the employment office and who have obtained work permits. 59/

It is estimated by Palestinian sources that in fact only 31 per cent and 29 per cent have health or accident insurance, respectively. 60/ This proportion roughly corresponds to that of officially registered Palestinian workers in Israel (i.e. around one quarter of the total employed in Israel). Also, despite the fact that the labour law and the Israeli labour legislation entitles the labourer to annual leave, a bonus or pension on service termination, only a small percentage of Palestinian labourers in Israel actually receive these kinds of benefits. 61/

(d) Labour union organization

Palestinians from the West Bank and Gaza Strip, working in Israel are entitled to join labour unions in the territory. With the exception of those from east Jerusalem, Palestinian workers cannot join Israeli unions headed by the *Histadrut*. Only a small percentage of Palestinian labourers in Israel enrol in labour unions, accounting for only 7 per cent in 1985. 62/ The reason behind this is that labour unions in the territory cannot file law suits concerning labour disputes between Palestinian labourers and their Israeli employer, as labour unions in the territory are not recognized by the authorities within Israel.

(e) Some social characteristics of Palestinian labourers in Israel

According to the above-mentioned sample survey, the overwhelming majority, or 72 per cent of Palestinian workers in Israel originates in rural areas and refugee camps in the territory. Of the total, some 63 per cent is married, 35 per cent unmarried, while the rest are widowers or divorcees. Almost 56 per cent of workers represents heads of families. 63/

The average size of the family of a Palestinian labourer from the West Bank in Israel is 7.7 persons, which is twice the size of an Israeli family. A worker from Gaza strip usually comes from an average family of eight members. 64/ Almost 50 per cent of Palestinian workers in Israel has at least one member of the family working, many of whom work in Israel. This means that sometimes entire families with more than one breadwinner are totally dependent on employment in Israel for their livelihood.

Chapter III

UNEMPLOYMENT IN THE WEST BANK AND GAZA STRIP

In analysing labour-force and employment trends in the occupied territory, three interrelated issues predominate: domestic employment-generation capacity, work opportunities outside the domestic economy, namely in Israel and elsewhere, and unemployment. At the root of the employment predicament in the occupied territory is deterioration in the capacity of the domestic productive base and in domestic service sectors to generate adequate employment opportunities to cater to a relatively high rate of labour-force growth. This reflects not so much structural transformation within the Palestinian economy as much as a change in the relations between the Palestinian economy and neighbouring economies, particularly that of Israel. Alongside modernizing, productivity-enhancing and labour-releasing changes in some sectors, growth in other domestic sectors has been subject to shocks and erosive economic forces. Unemployment and under-employment have emerged as part of the general trend in much of the Palestinian economy to operate below full productive capacity, owing to marketing constraints and other bottlenecks. Divergent trends in skill development and the nature of domestic demand for labour have further complicated matters.

A. Unemployment before and during the intifada

Unemployment is conventionally defined as the difference between the supply of labour at existing wage rates and working conditions and the number actually employed at those levels. Israeli statistics define unemployment in the territory based on the results of a random sample field survey among families there. According to this survey, an unemployed person is defined as one of working age, who had no work at all during the week of survey and who was seeking a job through the employment offices in the territory. This definition is narrow in so far as it does not include among the unemployed those who worked part-time during the week of the survey. With the outbreak of the *intifada*, and the work week affected by strikes and curfews, those with a place of work were defined as employed even if they had not worked during the week of the survey. 65/

One problem with measuring unemployment is that available statistics do not reflect those employed in the informal sector, either as wage earners or self-employed. The informal sector is unregulated and therefore it is simpler to seek or leave employment. It is composed mainly of small family-based concerns. Production in this sector is labour-intensive with adapted technology requiring skills that are acquired informally. Small retail outlets and owner-operated enterprises are the most important constituents of the informal sector in the Palestinian economy. Both men and women are involved in this business, setting up stalls to sell agricultural produce including fruit, vegetables and some processed agricultural products. In addition, various other products are sold, such as fowl, perfume, cosmetics, watches, second-hand clothing, canned food and antiques. There are no official statistics or independent studies on the informal sector in the West Bank and Gaza Strip, which tends to expand with deteriorating economic conditions. All family members can participate in the informal sector, but women usually are the most actively engaged. They do so either to assist the men working in Israel or as sole breadwinners for their families.

Israeli statistics, therefore, report low rates of unemployment of around 2 per cent in most years since occupation of the territory, as indicated in table 22. It would appear, however, that the real unemployment rate in the territory is much higher than that reported in official statistics. This is owing to the fact that in the largely unregulated Palestinian labour market, most of the unemployed search for jobs independently and do not register with the unemployment offices.

Assuming that those employed on a part-time basis would rather have full-time jobs, and making allowance for those seeking employment but who have not registered with the employment offices, the rate of unemployment may be estimated at 22 per cent and 17 per cent for the West Bank and Gaza Strip, respectively, in 1989. 66/ This contrasts with Israeli CBS data which indicate that, in 1989, the rate stood at 4.4 per cent in the West Bank and 2.5 per cent in Gaza Strip, higher than the rates prevalent before the *intifada*. Males were reported to constitute the highest proportion of the unemployed, registering around 90 per cent in 1989 for the West Bank and 96 per cent for Gaza Strip. The rate of female unemployment in the female labour force is higher than the corresponding rate for males in Gaza Strip.

One possible indicator of the size of the "grey area" of un(der)employment is revealed in Israeli statistics, under the heading of "employed persons, temporarily absent from work". The number of this category of employed persons jumped significantly with the beginning of the Palestinian uprising, from some 11,000 in 1987 to over 36,000 in 1988 and 26,000 in 1989. When added to the officially reported category of unemployed, these data give unemployment levels in 1988-1990 of between 37,000 and 44,000, or between 13 and 15 per cent, which appear to be more realistic estimates of the widespread unemployment reported in the occupied territory, especially after 1988. Massive unemployment has emerged since 1990, with the addition to the ranks of the unemployed of 40,000-50,000 Palestinians previously working in Israel.

The major cause of unemployment in the territory is the lack of work opportunities in the domestic market, owing to an unstable economic and political situation and the lack of sufficient jobs to absorb the large number of well-trained and qualified workforce. Moreover, for political reasons, some Palestinians have not been allowed to seek employment opportunities, thus falling under the "involuntary" category of the unemployed. 67/

Two types of unemployment can be distinguished in the Palestinian economy, namely; cyclical and structural unemployment. 68/ In the case of the Palestinian labour force, the 1985 study revealed 69/ that cyclical unemployment accounted for almost 60 per cent of the unemployed while structural unemployment stood at 40 per cent. The former reflects the impact of fluctuations in economic activity and other cyclical factors (such as the biannual olive crop in the agricultural sector) while the latter is largely a result of university and other post-secondary graduates unable to find appropriate jobs, a problem which is more prevalent in Gaza Strip than in the West Bank. 70/ A sample survey conducted in the territory in mid-1991, 71/ depicted that of the total unemployed, cyclical unemployment accounted for

56 per cent and structural unemployment for 44 per cent. This reflected the impact of the Gulf crisis in 1991 when a large number of qualified Palestinians returned from Kuwait and the other oil-producing Arab countries in the Gulf.

The majority of the unemployed in the West Bank originate in urban areas, whereas the majority of those in the Gaza Strip originate in refugee camps. 72/ The survey undertaken in 1991 73/ revealed that those under the age of 34 constituted the majority of unemployed labourers in the territory, representing 78 per cent of the unemployed. This high figure not only reflects the inability of the economy to absorb the most active group of the labour force but also implies an element of despair leading to social and political unrest which is bound to reach the very fabric of the Palestinian society.

Since 1987, the *intifada* aroused in the Palestinian consciousness the necessity to strengthen self-reliance and lessen dependency on Israel in various economic sectors. It led, inter alia, to an increase in domestic employment, a drop in the number of labourers working in Israel and a fall in the number of monthly working days and weekly working hours in both domestic and Israeli labour markets. Whereas the proportion of Palestinian labour force employed domestically increased with the onset of the *intifada*, the overall unemployment rate also increased owing to the dismissal of large numbers of Palestinian workers by Israeli and Palestinian employers for a variety of reasons. 74/ Both the number and proportion of Palestinian labourers working in Israel decreased as indicated previously. 75/ Increased employment in the domestic labour market was most pronounced in the industrial sector, especially in establishments that employed eight or more labourers.

As noted, the drop in the number of weekly working hours and monthly working days after the *intifada* resulted from the recurrent general and partial strikes, widespread unrest and Israeli measures. In addition, the authorities sometimes prohibited transport between villages and cities, cut off electricity and stopped the fuel supply to the territory. As a consequence, average weekly working hours in the West Bank and Gaza Strip dropped sharply, as did the average weekly hours for labourers working in Israel. Monthly working days decreased for the same reasons.

B. The impact of new emigration to Israel and the Gulf crisis on Palestinian unemployment

The dramatic changes that took place in the former Soviet Union and eastern Europe between late 1989 and 1991 led to mass emigration of Jews from those countries to Israel. The number of new immigrants to Israel registered 192,017 in 1990, 76/ and totalled 197,000 in 1991. 77/ In less than three years, some 406,582 new immigrants had settled in Israel.

To determine the effect of this wave of immigration to Israel on employment opportunities in Israel for the Palestinians, the educational and demographic characteristics of the migrants are of pertinence. Israeli data indicates that 23 per cent of immigrants who arrived in 1990 were less than 15 years of age; 12 per cent were from 15-24 years and 12 per cent were 65 years old and above. 78/

Since the 15 to 24 years category is usually the age group enrolled in the educational system and thus excluded from the active labour force, the proportion of new immigrants of working age may be estimated at around 53 per cent. Assuming high participation and activity rates, this translates to around 200,000 new entrants into the Israeli labour force between 1989 and 1991. Owing to the qualifications of new migrants and the kinds of jobs they sought, these immigrants were not in direct competition with Palestinians employed in Israel who are largely unskilled, as compared to only 2 per cent of new Israeli immigrants being unskilled. The balance of immigrants in 1990 was composed of 39 per cent scientists; 34 per cent technicians; 4 per cent managers and writers; 6 per cent salespeople and servants, under 1 per cent agricultural workers; and, 13 per cent skilled industrial workers. 79/ Israeli statistics indicate that in 1991 some 27,000 immigrants were university graduates, 16,000 engineers and 3,250 physicians. 80/ Thus, only a small proportion of the immigrant labour force would potentially compete with Palestinians working in Israel.

Owing to the fact that unemployment in Israel was high, registering 10.6 per cent in 1990, 81/ and economic conditions were such that not many job opportunities could be readily created for the new immigrants, the latter may have opted to accept jobs held by Palestinians so as to stay in Israel, thus posing a problem for the Palestinian workers. By the end of 1989, Israel started to restrict the employment of Palestinians inside Israel by not issuing the necessary permits for Palestinians so as to prevent them from reaching their work place. This encouraged Israeli businesses to employ new immigrants.

This situation was further aggravated by the Gulf crisis. Almost all Palestinian workers were denied entry into Israel at the onset of the crisis. After the Gulf War, most Palestinians were also prevented from returning to their jobs in the Gulf. Gradually, more workers were allowed to go back to their jobs in Israel but only after obtaining valid working papers from the Israeli authorities. In 1991, about 70 per cent of Palestinian workers who used to work in Israel before the outbreak of the Gulf crisis had returned to work in Israel. This resulted in some 32,000 Palestinians losing their jobs in Israel: 13,000 from Gaza Strip and 19,000 from the West Bank. 82/

With the outbreak of the Gulf crisis, thousands of Palestinians who had been working in the Gulf but maintained their residence permits returned to the occupied territory. They totalled about 30,000 according to Israeli sources in the territory. 83/ Owing to the deteriorating economic conditions in the territory in the aftermath of the Gulf War, the majority of these returnee Palestinian workers failed to find alternative jobs, and remained unemployed.

The new immigration into Israel coupled with the Gulf crisis aggravated the unemployment situation in the occupied territory. The rising unemployment rate was reflected in Israeli official statistics which reported unemployment at 10.3 per cent in the West Bank and 3.7 per cent in Gaza Strip in 1991. 84/ Compared with official statistics for previous years, these rates of unemployment were especially high. However, these figures underestimated the rates of unemployment in the territory, owing to flaws in the sample, as mentioned earlier.

C. Developments since 1991 affecting Palestinian unemployment 85/

After the two-month ban on entry of Palestinians to Israel in 1991, a labour permit/pass system for Palestinians working in Israel, already instituted in the Gaza Strip, was generally applied, with at least 80,000 permits valid by early 1993 (approximately 45,000 in the West Bank and 35,000 in Gaza Strip). An additional unspecified number of Palestinians were able to obtain jobs in Israel on a seasonal or irregular basis, without passes. Israel CBS data indicate that as many as 98,000 Palestinians were classified as working (i.e. including those working part-time or "temporarily absent from work") in Israel in 1991: some 56,000 from the West Bank and 42,000 from Gaza Strip. Average weekly work hours per employee in 1991 remained some 18 per cent below the pre-1987 highs. Taking CBS data on labour input into account, this translates into the full-time equivalent of approximately 46,000 workers in Israel from the West Bank and 34,000 from the Gaza Strip. Since 1991, the impact of further reductions in job opportunities in Israel has been unemployment on a scale never experienced in the occupied territory, with a sharp reduction in national income.

No comprehensive official figures have been published for 1992 and 1993; preliminary data for 1992 indicate a return to pre-1988 levels of employment in Israel, especially from the West Bank (up to 70,000). However, by early 1993 relatively high unemployment in Israel and related Israeli government policies had gradually reduced reliance on Palestinian workers, except for construction and some agricultural branches. With the total closure of the occupied territory as of April 1993, no Palestinian workers entered Israel for several weeks and some Israeli employers adjusted to the most recent cut-back. However, months after the closure, tens of thousands of jobs previously performed by Palestinians in Israeli construction and agriculture had yet to be filled by Israelis; 40,000 work permits for Palestinians had been issued, with an officially proposed ceiling of 70,000; and, "import" of labour from elsewhere was being considered.

The major consequence of these developments for the Palestinian economy has been "runaway" unemployment (especially in the impoverished Gaza Strip), which was reported to have reached the respective levels of about 40 and 25 per cent in Gaza Strip and the West Bank, prior to the sealing off of the territory. Palestinian sources estimated that by mid-1993, unemployment in Gaza Strip had reached over 55 per cent (67,000 persons) and in the West Bank 35 per cent (71,000 persons). While such levels may be considered to reflect transitory (or cyclical) as opposed to structural levels of unemployment, in some localities (rural communities and refugee camps) unemployment was reported to have topped 70 per cent, as in Gaza Strip in April 1993.

Notwithstanding positive developments in the policy environment since 1993, an increasingly critical situation persists as regards growing unemployment, underemployment and the emergence of poverty, especially in Gaza Strip. While this mainly reflects the fall in employment opportunities for Palestinian workers in Israel and in the oil-producing countries of the region, and the frequent closure of Israel for security reasons, domestic factors are also at play. In particular, sectors of Palestinian domestic economy (except agriculture) have proven incapable of adequately absorbing Palestinian workers no longer employed in Israel (at least 40,000 since 1987), new entrants to the labour force (some 13,000 annually), returnees from Kuwait

and the Gulf countries since 1990 (estimated at the time at around 15,000), in addition to those made redundant owing to the decline in production levels of several domestic sectors since 1987 (especially industry, construction and public and private services). Unemployment was cited at around 25 per cent (out of a labour force of some 350,000) in early 1994 by some international sources, and up to 40 per cent by Palestinian sources. This burden surely challenges policy makers and entrepreneurs alike. Notwithstanding different interpretations of the nature and dimensions of the employment problem in the occupied territory (i.e. the extent to which it is a question of unemployment or underemployment), the issue remains one of special urgency. Job creation, through private and public investment programmes, will remain a top priority and an overriding challenge in the coming years, along with other key economic and social considerations.

Chapter IV

HUMAN RESOURCE DEVELOPMENT AND EMPLOYMENT PROSPECTS IN THE PALESTINIAN TERRITORY

Developing countries often suffer from severe imbalances in their labour market. These distortions are characterized by an excess demand for skilled and technical capacities and a surplus supply of unskilled and semi-skilled labour in both the modern and traditional sectors. Human resource strategies of developing countries aim at addressing these issues by developing technical and managerial skills and creating job opportunities for the surplus labour force. Education is the most effective avenue for such human resource development endeavours.

The labour market in the territory comprises a growing number of graduates from the traditional educational system but with no evident job opportunities. As a result, many are prompted either to emigrate or join the Israeli labour market where they are often obliged to accept jobs unrelated to their field of specialization. At the same time, there is a shortage of productive and industrial technical skills in the labour market of the territory such as chemical engineers, mechanical designers and machine-related construction skills. The following sections attempt to clarify the causes of this problem and present elements of a feasible framework for the development of human resources in the territory, taking into account the need for synchronization with Palestinian labour markets.

A. Higher education and vocational training system

1. Higher education system

The higher education system in the territory consists of 6 universities and 16 intermediate colleges. The West Bank houses 5 of the universities and 15 of the intermediate colleges whereas Gaza Strip has 1 university and 1 college. These universities and intermediate colleges are non-governmental; each is administered by a special board of trustees whose function is to define the general academic policy of the institution and the number of students that will be accepted during each academic year. A Higher Education Council, independent of Israeli authorities, establishes policy guidelines and coordinates among the universities.

Some 14,000 students were enrolled in Palestinian universities during the academic year 1987/88, 38 per cent of whom were female. 86/ Table 23 indicates the distribution of students by various fields of specialization. Almost 32 per cent of the students were enrolled in liberal arts programmes. Not all universities offered education in all fields. For example, only two universities - An-Najah and Bir-Zeit - had schools of engineering. Laboratory medicine and X-ray technology were taught only at Al-Quds University. 87/ None of the universities had faculties of medicine or pharmacy and many engineering programmes and scientific specializations were not available. Hence, large numbers of Palestinian students wishing to study such specializations have been obliged to travel abroad to study in Arab and/or non-Arab universities.

Data on the number of applications for enrolment in universities suggest a high demand on the educational system. For example, during the academic year 1987/88, only 59 per cent of the 6,741 applicants were accepted in the various programmes of An-Najah University, and ultimately only 47 per cent joined these universities. 88/ Table 24 shows the distribution of graduates according to fields of specialization between 1975 and 1989 in the territory.

Table 25 reveals that the number of students enrolled in the 16 intermediate colleges (offering post-secondary diplomas) of the West Bank and Gaza Strip totalled 6,326 during the scholastic year 1985/86, of which almost 48 per cent was female. Programmes in education and teacher-training absorb some 61 per cent of the students enrolled in intermediate colleges which, in part, explains the high female proportion in total.

2. Vocational training

Vocational training in the territory consists of training at the secondary level, training centres, courses, and on-the-job training. During the academic year 1990/1991, there were 13 vocational secondary schools in the West Bank, of which 4 specialized in commerce, 8 in industrial training, and 1 in agriculture. There were no such schools in the Gaza Strip. A minimum of nine scholastic years including compulsory and preparatory stages are required as well as an entrance exam to qualify for admission. Programmes at these schools take three years to complete after which students are eligible to sit for general vocational secondary examination of the Jordanian Ministry of Education and Teaching. The highest number of students were enrolled in service-related vocational schools, totalling 1,425 in 1987/88. 89/ These include training in areas such as electricity maintenance, car mechanics, carpentry, smithery and agricultural mechanization.

There is no local regulatory or inspection committee for vocational teaching, unlike other types of education. 90/ Vocational teaching, especially in industrial programmes, has been negatively affected since 1967 owing to the lack of overall guidance and cohesion in curricula, interruptions, programme changes, shortage in cadres, equipment and funding. 91/

There are four vocational centres in the West Bank and two in Gaza Strip, with a total enrolment of 1,473 in 1987. 92/ These centres are privately run by various religious and other organizations, including UNRWA which operates one in Qalandya and another in Gaza Strip. 93/ The curricula for the centres run for two or three years with many hours devoted to practical training. With the completion of the study programme, students who pass the examination are entitled to either a certificate of industrial diploma or a certificate of completion of study. 94/

Periodic vocational courses are offered by various establishments both in the West Bank and Gaza Strip. These include local charities, UNRWA and foreign institutions. Students are admitted in most of these courses regardless of their educational levels. With the successful completion of these courses, which could be as long as 18 months, a certificate is issued which usually helps students get a job. These courses are characterized by their practical nature. 95/ Courses are offered in many vocations

including: electricity; radio and television; construction; whitewashing, cementing and tiling; shoe manufacturing; secretarial studies; office administration; practical nursing; and sewing.

The vocational training system in the occupied territory is elementary when compared with that of Israel. It has equally fallen out of line with developments in vocational training in neighbouring Jordan. The system lacks the diversity and sophistication of its Israeli counterpart. Vocational training in Israel includes training in electronics, tools manufacturing, industrial chemistry, diamond polishing, and computers. 96/

Whereas the percentage of secondary students joining vocational schools is rather low, at 5 per cent in the West Bank and 4 per cent in the Gaza Strip, it is high in Israel, accounting for 48 per cent. 97/ This disparity is owing to the low absorptive capacity of the vocational schools in the territory. Only 48 per cent of applicants to vocational schools are accepted, 98/ underlining the need to establish more such institutions in future and to streamline and rationalize their vital role.

3. On-the-job training

On-the-job training is almost non-existent in the territory. This training is confined to industries and takes place largely in Israel. One study has indicated 99/ that 55 per cent of Palestinian labourers in Israel had learned the basic skills in their vocations during work in Israel. There is no on-the-job training for engineers, physicians, and pharmacists in the territory. Those individuals have to arrange their own training in other countries. In addition, there are no establishments for on-the-job training in the field of administration, as is the case in Jordan, where two independent institutions for administrative training exist; i.e. the Jordanian Institute for Public Administration, and the Jordanian Institute for Management. These institutions organize training courses for government employees and managers from the private sector. 100/ Some foreign and international organizations have expressed interest in designing courses in the fields of health, agriculture and teaching.

4. The labour market and the educational and training system

With the steady increase in the number of inhabitants in the territory, the demand for schooling has increased. The number of students registered at schools in the territory more than doubled from 222,200 in 1967/68 to 488,400 in 1988/89. 101/ At the same time, the trend in demand of university education was also on the rise. The increasing number of university graduates has not been met with an adequate increase in job opportunities available in the territory. As a result, university graduates constitute a high percentage of the unemployed. With the insufficient absorptive capacity of the vocational training system and the lack of diverse training programmes in such areas as chemical and mechanical engineering and technical design, the revival and development of the industrial sector in the territory cannot proceed efficiently. Moreover, many programmes of vocational training centres set up by the authorities after 1967 are tailored to the needs of the Israeli

economy. Vocations included in those centres are mainly within the field of construction, including tiling, cementing, building and smithery. 102/ The lack of skills and slow acquisition of technology has been one of the major factors behind the stagnation of the industrial sector.

B. Human resource development: problems and objectives

The problem areas affecting the development of Palestinian human resources in the territory fall into five major categories. The first category has to do with the short supply of highly-qualified scientific manpower, such as agronomists, veterinarians, engineers, specialist physicians, etc. It is true that these scientific categories are available in the urban areas, but the Palestinian rural areas are lacking these specialists. Those available also suffer from a relatively low standard of qualification. There is an urgent need for rehabilitation programmes to improve their performance and increase their productivity.

The second problem area relates to an acute shortage of technical manpower, such as nurses, agronomists' assistants, technical supervisors and other middle-level professional personnel. The shortage in this category is not only in terms of quantity but also quality. This category of labour has a lower standard of proficiency. The West Bank and Gaza Strip are in short supply of this category more than the first category, owing to a preference for university education which is expected to provide a higher income and social status. In addition, there is a lack of institutional infrastructure for technical and vocational education, to provide education and training to this category of manpower. The programmes of vocational education centres and the community colleges in the West Bank and Gaza Strip are restricted to service-oriented traditional vocations. They do not have the ability and qualifications to offer advanced technical education and/or vocational training that would serve the process of economic development, particularly in the industrial and agricultural sectors. Training in some professions, such as nursing, hotel and postal management is totally lacking.

The third category relates to managers, administrators and administrative specialists, which are absent or in short supply. In other words, there is a shortage of top managerial and administrative personnel. This applies to both the private and public sectors.

The fourth category pertains to trainers. There is a limited supply of teachers and instructors at primary and secondary schools and at the university level. Those working in the education sector suffer from inadequacies in teaching qualifications owing to insufficient training courses. Moreover, education and training programmes at all levels lack modern teaching equipment, instruments and installations to upgrade the scientific qualification of teachers and enhance their abilities to convey information to their students in the best way possible. Additionally, highly-qualified people tend to leave for more lucrative employment abroad.

Finally, the West Bank and Gaza Strip also suffer from a shortage of clerical personnel such as bookkeepers, secretaries, stenograph and business machine operators, as well as experts in radio and television programmes,

computers, communications, and repair of household electrical appliances. There is also a total lack of expertise in the field of civil aviation, shipping and multi-modal transport systems which in turn affects employment.

The problem areas relating to human resource development, as illustrated above, cover all economic sectors at varying degrees.

In agriculture, vocational training is limited to agricultural secondary schools. These schools function with limited facilities and within very restricted space. As such, they are not geared to meet the current and future needs of agriculture in the West Bank and Gaza Strip.

In the industrial sector, a general shortage of training facilities to teach industrial vocations prevails throughout the territory. Most industrial schools and colleges lack qualified trainers, in addition to shortages of modern machines, equipment and library facilities. Many specializations are particularly lacking in vocational industrial schools in the territory in such areas as electricity generation, transfer and distribution of electricity, wireless and wire communications, diesel mechanics, heating and air-conditioning, designing and manufacturing of machines, chemical engineering, and computer-run machine engineering. In the services sector, education and training in postal, hotel and nursing are completely absent in addition to training at lower levels in other areas of expertise in the West Bank and Gaza Strip.

In view of the above, some salient goals emerge for human resource development efforts in the context of immediate and future socio-economic development needs in the West Bank and Gaza Strip. These include:

1. Coordinated planning and supervision of both vocational and university education to develop local manpower in accordance with the current and future needs of the Palestinian economy in the West Bank and Gaza Strip;

2. Improved organization of university education programmes in the territory in addition to the rationalization and development of the quality of its output, including the introduction of new specializations such as agronomy and applied engineering in accordance with the needs of various productive sectors;

3. Rehabilitation of the teaching staff at schools, universities and community colleges;

4. Development of applied scientific research in various economic spheres, especially through universities;

5. Introduction of advanced and modern educational tools in schools and universities to upgrade the performance of those in charge and increase their productivity, thus increasing the qualification of graduates at various levels;

6. Expansion of vocational training in community colleges with emphasis on technical education, including industrial chemistry, computer use and other expertise. With regard to agriculture, a similar drive is required to provide a variety of specialized cadres in community colleges aimed at serving the sector in various areas;

7. Expansion of programmes geared to upgrading the professional knowledge of employees in vocational schools, especially those involved in nursing, agricultural, industrial and business education. New specializations need to be introduced into vocational schools serving the industrial sector, especially in such areas as micro electronics, wire and wireless communication, general electronics, diesel mechanics, electricity transfer and generation, as well as in postal and hotel services;

8. Improving the infrastructure of industrial training centres by providing modern equipment, machines, varieties of tools and workshops along with training and educational programmes.

9. Development of human resources and training of Palestinian manpower in line with the demands of the domestic market. Training and education which used to be directed towards increasing the qualification of Palestinian labour force for export are redundant at this stage of reconstruction and development. Besides, high-level trained manpower has to be increased in all categories at a rate higher than the rate of increase of the Palestinian labour force and even at a rate greater than that of domestic economic growth, particularly in the area of technical or technological manpower related to graduates of community college and other similar institutes. The creation of material incentives in terms of wage increases, moral support and improvement of social status, not to mention the change of traditional social attitudes towards technical and technological employees, are imperative for expanding the base of skilled employees for jobs in technical and logistics areas.

C. Entrepreneurship and development needs

The existence of a vital entrepreneurial class is increasingly recognized as essential for successful growth and development of any economy. The very lack of this category underlies the slow pace of development in many countries. Discoveries and scientific innovations create what might be termed "horizons of growth and economic development". An entrepreneur exploits and transforms these horizons and possibilities into an economic reality that may take several forms: innovative economic methods to produce common products, introduction of goods or services previously unknown, discovery of new markets to sell products or introducing installations or new organization to make the best use of the innovations and discoveries brought about by scientists. Neither is the entrepreneur's role restricted to such endeavours alone. It equally extends to managers and officers of public and private institutions. Moreover, it is not necessary for entrepreneurs to have new ideas of their own. They can also organize and mobilize the efforts of others.

In a wider application of the concept, engineers and agronomists may also be classified as belonging to the entrepreneurial class because of their innovative new methods of industrial or agricultural production. Agricultural assistants also train farmers on how to use these methods. Public health officers, male and female nurses and medical assistants can also belong to the

entrepreneurial category. Such employees bring new innovations in the field of medicine to their work. Engineers are also included under this category for they are considered designers of change; university professors, directors of educational institutions and teachers all may be construed as part of the entrepreneurial category for they are in charge of the education sector, and it is they who develop new generations of manpower.

With regard to the situation in the Palestinian territory, the entrepreneurial spirit certainly abounds, but it is very much restricted to the private sector: namely industry, agriculture and services. While entrepreneurs may be identified in these and other economic sectors, their inventive and innovative abilities have been constrained and their scope for action curtailed. In the public or government sector, designated officers hav had the upper hand for more than 25 years without the real involvement of the Palestinian people in the areas concerned. A Palestinian entrepreneurial class, in the widest sense of the term, has yet to emerge in the territory.

In the agricultural sector, Palestinian farmers have proved themselves capable and have succeeded in absorbing modern agricultural technology and its application to their farms, with success in increasing their farms' productivity. Unfortunately, obstacles encountered with respect to the export of agricultural surplus to foreign markets have prevented further exploitation of this potential. Despite these problems, the private sector has endeavoured to find alternative markets for agricultural produce in Europe. Constraints, including cumbersome regulations, poor infrastructure, limited financial resources, lack of expertise and experience in dealing with developed markets in Europe have prevented Palestinian farmers from competing with similar produce from other sources.

In the industrial sector, entrepreneurs in some branches have scored important successes, particularly in textiles, shoes, and marble. Palestinian entrepreneurs have succeeded in developing these industries and in supporting their capacity to compete and realize comparative advantages, through successful application of the limited available technology and higher production efficiency. The entrepreneurs concerned have succeeded in developing these industries qualitatively, by introducing elements of innovation and invention, thus strengthening their competitive capability. There are further examples of successes, including in minerals and agricultural tools industries. Nevertheless, the entrepreneurial category in the industrial sector continues to suffer from logistic and other constraints. Adequate financial support has long been a key impediment.

Some industries which were established on the basis of sub-contracting are still struggling with innovation, particularly as these industries have been confined to sub-contracting since 1988. The factories concerned began to produce and market a standard line directly to the local and Israeli markets. Shoe factories are a case in point. They have failed to manufacture new types of shoes; textile factories have failed to develop new models. Training programmes are needed in order to support entrepreneurs in these and other productive sectors in the occupied territory.

D. Areas for action

One of the most pressing needs confronting the occupied Palestinian territory is to deal with the high rate of unemployment. As a first step, the relevant Palestinian institutions need to attempt to ascertain the exact number of unemployed as well as their qualifications and experience. This information is essential in order to create appropriate employment opportunities in various economic and social sectors. These data are particularly important as regards returnees from the oil-producing countries. Ascertaining their potential, in terms of the expertise they have acquired, could help in turning a negative employment situation into a positive benefit, if directed towards initiating new industries and businesses.

Parallel to these efforts, the relevant Palestinian institutions should develop and conduct appropriate workshops and training programmes aimed at facilitating the absorption of the unemployed into relevant areas of Palestinian economic and social structures. The chambers of commerce and industry and trade unions could be appropriate mechanisms for such action. More emphasis should be placed on projects with a strong employment-generation element in both the West Bank and Gaza Strip; this would included agro-based industries, housing, welfare and social services, infrastructure, industry and tourism, and other labour-intensive activities. Immediate employment-generation projects should be identified to absorb some of the growing number of unemployed workers. In addition to housing and other labour-intensive work opportunities, the public sector could fruitfully engage workers in a number of public works projects. The municipalities could play an important role in this respect. Meanwhile, Palestinian labour unions and employers should initiate a dialogue on remuneration and practices that have contributed to unemployment and related problems.

The education system has not helped alleviate the present state of affairs: education programmes were geared to external needs and responded accordingly. The actual domestic needs of the Palestinian economic and social sectors were placed second, while restrictions imposed under occupation aggravated the disarticulation between economic and human resource development. Weaknesses inherent in the Palestinian education system, whether related to curricula, facilities, teacher-training, finance or other factors, have led to a distortion and imbalance in the present labour market in the West Bank and Gaza Strip, reflected in increasing structural unemployment. A radical reform of the structure and orientation of the education system at all levels is necessary, geared to serving primarily the growing and changing needs of the emerging Palestinian economic and social structures. Improving the orientation and quality of education and training in public schools and vocational institutions should help reduce structural unemployment.

The existing labour force largely lacks specific skills to meet the technical requirements of jobs at lower skill levels; this affects both men and women. Such needs are likely to increase in line with efforts to improve the economic and social situation of the Palestinian people. It is necessary to assess the extent and nature of training provided by vocational training centres as compared to the immediate needs of workers. The training

programmes of existing vocational training centres and community colleges could then be strengthened accordingly. More emphasis should be placed on developing programmes which could ensure the absorption of women into technical and vocational areas. The programmes of existing vocational training centres should likewise be strengthened to meet the needs for middle-level technicians in various fields.

Developments since 1993 have rendered urgent the adoption of integrated human resource development programmes. The imperative of achieving a rapid improvement in the living condition of the Palestinian people cuts across all levels of society and sectors of economic activity. In this context, three inter-related sectors appear to be especially relevant to the task of Palestinian social and economic revival. First, the need to begin to provide decent housing along with efficient utilities to all social groups, at affordable prices. Secondly, hand-in-hand with shelter goes the provision of adequate health care, sanitation and environmental protection services, consistent with accepted norms and capable of supporting a growing population and a vibrant economy.

Thirdly, an essential ingredient to the long-term success of the Palestinian economic development effort will be the creation of a well-educated, technically competent and diverse labour force, with vigorous participation by women, former detainees and the disabled. The urgency of providing for appropriate technical and scientific training, retraining and re-engagement of a generation of *intifada*-period youth in the educational process and in reconstruction cannot be overemphasised. Optimizing Palestinian society's primary asset, namely its human resources, could well be the sine qua non of successful passage from the legacy of strife and occupation to an era of peace and prosperity. The detailed programmes of assistance prepared recently by International Labour Office (ILO) and United Nations Education, Scientific and Cultural Organization (UNESCO) in this domain constitute timely contributions towards enabling the Palestinian people to face the challenges of their economic and social development.

Notes

1/ UNCTAD, "Selected statistical series on the economy of the occupied Palestinian territory", 1986-1987, (unpublished, 1991).

2/ See, e.g. Meron Benvenisti and Shlomo Khayat, The West Bank and Gaza Atlas, Jerusalem, West Bank Data Base Project, 1988, p. 28.

3/ World Bank, World Development Report 1990, Washington, D.C., United States of America, August 1990, p. 191.

4/ See section 3 below.

5/ See World Bank, "World Development Report 1990", op. cit., p. 260.

6/ For comparison, the labour force participation rates in the mid-1980s in selected countries were: 39 per cent in Israel, 25 per cent in Syria, 28 per cent in Egypt, 27 per cent in Iraq, and 43 per cent in Turkey. The labour force participation rate in the Arab countries ranged between 25 per cent and 32 per cent. See Jordanian-Palestinian Joint Committee, Development of labour force in the occupied homeland, Research Paper No. 1, Amman 1985, p. 18 (in Arabic).

7/ Calculated from data in Ibid. p. 18.

8/ Ibid.

9/ Calculated by the author from the Statistical yearbook 1987, Department of Statistics, Amman, 1987.

10/ Calculated from data in Israel, CBS, Statistical abstract of Israel, Jerusalem, CBS, 1990, p. 322 (It is not clear if these figures include or exclude members of the armed forces).

11/ For more details on the informal labour market, see chapter II.

12/ Jordanian-Palestinian Joint Committee, "Development of labour force in the occupied homeland", op. cit., p. 24.

13/ Ibid., p. 24.

14/ Meron Benvenisti, The West Bank data base project, American Enterprise Institute of Public Research, Washington and London, 1984, p. 3, and Stuart A. Gabriel, "The determinants of labour migration from the West Bank and Gaza", (unpublished paper, Department of Economics, Ben Gurion University of Negev, Beer Sheva, July 1983), p. 3.

15/ Ibid., Benvenisti, p. 4.

16/ Net migration from West Bank during the period September 1967 until the end of 1988 reached 170,400 persons. See Israel, CBS, "Statistical abstract ...", op. cit., p. 708.

17/ Net migration from the Gaza Strip reached 120,000 during the period 1968-1988, op. cit., p. 708.

18/ Abdelfattah Abu-Shokor, "Labour force external migration from the occupied Palestinian territory", Samed Al-Iktisadi (vol. 11, January-February-March, 1989), p. 54 (in Arabic).

19/ Benvenisti, "West Bank data base ...", op. cit., p. 4.

20/ A. Abu-Shokor, "Labour force external migration ...", op. cit., p. 58.

21/ Ibid., p. 58.

22/ Ibid., pp. 66-68.

23/ Labour force in Jordan 1982-1983, Jordan, Department of Statistics, Demographic research and analysis unit, Amman: April 1987 (in Arabic), p. 93.

24/ Ibid., p. 84.

25/ Benvenisti and Khayat, The West Bank and Gaza Atlas, op. cit., p. 28.

26/ Israel, CBS, Judea, Samaria and Gaza area statistics, vol. XVIII, no. 2, Jerusalem, 1988, p. 116.

27/ Ibid.

28/ Abdelfattah Abu-Shokor, "Socio-economic conditions of the West Bank and Gaza Strip workers in Israel", Nablus, An-Najah National University, Documentation, Transcript and Publication Centre, April 1987, p. 30.

29/ Calculated from Israel, CBS, Statistical abstract of Israel, Jerusalem, 1985, p. 323.

30/ Israel, CBS, "Statistical abstract... 1990", op. cit., p. 737.

31/ Ibid.

32/ Ibid.

33/ Israel, CBS, "Statistical abstract... 1990", op. cit., p. 737.

34/ Calculated form Israel, CBS, Statistical abstract of Israel, Jerusalem, various issues.

35/ Nawaf Kalaldeh, "Main characteristics and participation rate of female labour force in Jordan", in Department of General Statistics, Demographic Research and Analysis Unit, Labour Force in Jordan, Amman: April 1987 (in Arabic), p. 261.

36/ Abdelfattah Abu-Shokor, Labour market in West Bank and Gaza Strip, Nablus, An-Najah National University, February 1987, p. 160.

37/ Ibid., p. 105.

38/ Israeli Ministry of Labour and Social Affairs, Department of International Relations, Labour and employment in Judea, Samaria and Gaza District, Jerusalem, 1983, p. 47.

39/ A. Abu-Shokor, "Labour market...", op. cit., p. 106.

40/ Ibid., p. 109.

41/ Lloyd G. Reynolds, Labour economics and labour relations, New Jersey, 1978, 7th. edition, p. 309.

42/ A. Abu-Shokor, "Labour market...", op. cit., p. 109.

43/ Institute der Deutschen Wirtschaft, Zahlen fuer wirtschaft-Lichen Entwicklung der Bundesrepublik Deutschland, Koeln 1986, Tabelle 86 c. (in German)

44/ A. Abu-Shokor, "Socio-economic conditions...", op. cit., p. 24.

45/ The size of the labour force in the West Bank in 1987 reached 177,600, in east Jerusalem 27,700 and in the Gaza Strip 100,200, Israel, CBS, Statistical Abstract of Israel, various issues.

46/ A. Abu-Shokor, "Socio-economic conditions...", op. cit., p. 109.

47/ See UNCTAD "Developments in the economy of the occupied Palestinian territory" (TD/B/40(1)/8).

48/ UNCTAD, "Selected statistical...", op. cit.., and Israel, CBS, "Statistical abstract... 1990", op. cit., p. 755.

49/ A. Abu-Shokor, "Socio-economic conditions...", op. cit., p. 47.

50/ Ibid., p. 47.

51/ Ibid., p. 51.

52/ Israel, CBS, Judea, Samaria and Gaza Area statistics, Jerusalem, 1988, p. 139.

53/ A. Abu-Shokor, "Labour market...", op. cit., p. 53.

54/ Israel, CBS, "Judea, Samaria...", op. cit., p. 217.

55/ A. Abu-Shokor, "Socio-economic conditions...", op. cit., p. 62.

56/ Ibid., p. 72.

57/ Ibid., p. 75.

58/ Israel Ministry of Labour and Social Affairs, "Labour and employment..." op. cit., p. 14.

59/ A. Abu-Shokor, "Socio-economic conditions...", op. cit., p. 62.

60/ Ibid., p. 59.

61/ Ibid., p. 64.

62/ Ibid., p. 70.

63/ Ibid., p. 28 and p. 118.

64/ Ibid., p. 258.

65/ See the introduction of tables on p. 105 in Israel, CBS, "Statistical abstract ... 1990", op. cit.

66/ Calculated from data included in ibid., p. 724.

67/ A. Abu-Shokor, "Labour market ...", op. cit., p. 96.

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69/ A. Abu-Shokor, "Labour market ...", op. cit., p. 104.

70/ Ibid.

71/ A. Abu-Shokor, "Unemployment in the OPT from 1968-1991", United Nations Economic and Social Committee for Western Asia (ESCWA), Amman, 1992, p. 36.

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73/ A. Abu-Shokor, "Unemployment ...", op. cit., p. 28.

74/ Israel, CBS, "Statistical abstract ... 1990", op. cit., p. 729.

75/ Ibid.

76/ Israel, CBS, Statistical Abstract of Israel, Jerusalem, CBS, 1991, p. 166.

77/ Al-Quds, Jerusalem, 4 December 1991, No. 7797 (in Arabic).

78/ Calculated from data in Israel, CBS, "Statistical abstract ... 1991", op. cit., p. 172.

79/ Ibid., p. 173.

80/ Al-Quds, Jerusalem, 4 December 1991, No. 7797 (in Arabic).

81/ Calculated from the data published in Israel, CBS, "Statistical abstract ... 1991", pp. 351 and 330.

82/ Ibid., p. 731.

83/ Al-Fajr, Jerusalem, 26 August 1990 (in Arabic).

84/ Information obtained from the Department of Statistics, Nablus, West Bank.

85/ This section is adapted from UNCTAD reports, "Developments in the economy of the occupied Palestinian territory", (TD/B/40(1)/8), paras. 36-38; and (TD/B/41(1)/3), para. 34. For more information on the original sources of data noted here, reference may be made to these reports.

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87/ Ibid., p. 17.

88/ Ibid., p. 34.

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92/ Ibid., p. 11.

93/ Mahmoud Miari, "Vocational ...", op. cit., p. 8.

94/ Ibid., p. 8.

95/ Ibid., p. 10.

96/ Ibid., p. 13.

97/ Ibid., p. 14.

98/ Ibid., p. 15.

99/ See A. Abu-Shokor, "Socio-economic conditions ...", op. cit., p. 56.

100/ "Manpower development in Jordan" (unpublished paper, Jordan Ministry of Labour), p. 15.

101/ Israel, CBS, "Statistical abstract ... 1990", op. cit., p. 755.

102/ Hassan Al-Qiq, "Vocational ...", op. cit., p. 3.

Tables*

Table 1. West Bank and Gaza Strip: population estimates in selected years, 1967-1989
(thousands)

	1967	1968	1970	1975	1980	1985	1988	1989
West Bank								
Population at year end	585.9	583.1	607.8	675.2	724.3	815.5	895.0	915.0
Population movement	-13.0	-15.8	-5.0	-15.1	-17.3	-5.0	-3.5	-13.1
Rate of natural increase	..	2.2	2.5	3.1	3.2	3.4	3.5	3.8
Annual growth (per cent)	..	-0.5	1.7	0.8	0.8	2.8	3.1	2.3
Gaza Strip								
Population at year end	380.8	356.8	370.0	425.5	456.5	527.0	588.5	610.4
Population movement	-12.2	-32.3	-3.3	-3.5	-5.1	-2.9	-2.7	-6.8
Rate of natural increase	..	2.2	2.6	3.6	3.8	3.9	4.5	4.9
Annual growth (per cent)	..	-6.3	1.7	2.2	2.7	3.4	4.0	3.7
West Bank and Gaza Strip								
Population at year end	966.7	939.9	977.8	1100.7	1180.8	1342.5	1483.5	1525.4
Population movement	-25.2	-48.1	-8.3	-18.6	-22.4	-7.9	-6.2	-19.9
Rate of natural increase	..	2.2	2.5	3.3	3.2	3.6	3.8	4.1
Annual growth (per cent)	..	-2.8	1.7	1.6	1.5	3.0	3.5	2.8

Sources: UNCTAD, "Selected statistical series on the economy of the occupied Palestinian territory, 1968-1987", (unpublished, January 1991); and Israel, CBS, Statistical abstract of Israel, (Jerusalem, 1992).

* Data for the West Bank exclude east Jerusalem unless otherwise indicated.

Table 2. West Bank and Gaza Strip: population by age groups, 1988

Age	West Bank		Gaza Strip	
	Thousands	Per cent	Thousands	Per cent
0 - 4	176.9	19.8	123.3	21.0
5 - 14	247.8	27.7	167.8	28.5
15 - 19	90.7	10.1	59.7	10.0
20 - 24	89.8	10.0	54.4	9.2
25 - 34	131.2	14.7	82.8	14.1
35 - 44	46.9	5.2	36.3	6.2
45 - 54	40.9	4.6	25.7	4.4
55 - 64	36.8	4.1	21.6	3.7
65 +	34.4	3.8	16.8	2.9
Total	895.4	100.0	588.4	100.0

Source: Israel, CBS, Statistical abstract of Israel, (Jerusalem, 1990) p. 709.

Table 3. West Bank: population aged 14 and over by labour force characteristics in selected years, 1968-1989

	1968	1970	1975	1980	1985	1988[a/]	1989[a/]
	thousands						
Population aged 14+	308.6	322.9	366.9	401.0	443.8	459.1	469.5
Total labour force	93.0	118.4	133.9	136.8	159.2	188.1	189.1
Employed labour force	82.9	114.6	132.3	134.8	151.2	183.0	180.8
Unemployed labour force	10.1	3.8	1.6	2.0	8.0	5.1	8.3
Labour force employed in the WB	..	99.8	91.9	94.2	103.8	119.0	115.4
Labour force employed in Israel	..	14.7	40.4	40.6	47.5	64.0	65.4
Male labour force	79.2	94.4	109.6	111.5	137.5	163.6	168.8
Female labour force	13.8	24.0	24.3	25.3	21.7	24.5	20.3
	per cent						
Labour force participation rate	15.9	19.5	19.8	18.9	19.6	21.0	20.7
Crude activity rate	30.1	36.7	36.5	34.1	35.9	41.0	40.3
Male crude activity rate	56.5	61.4	61.9	57.7	63.9	73.3	73.6
Female crude activity rate	8.3	14.2	12.8	12.4	9.5	10.4	8.5
Unemployment rate	10.9	3.2	1.2	1.5	5.0	2.7	4.4
Male labour force	85.2	79.8	81.9	81.5	86.4	87.0	89.3
Female labour force	14.8	20.2	18.1	18.5	13.6	13.0	10.7

Sources: UNCTAD, "Selected statistical series on the economy of the occupied Palestinian territory, 1968-1987", (unpublished, 1991);

Israel, CBS, Statistical abstract of Israel, (Jerusalem, 1992) p. 732.

a/ Data refer to persons aged 15 and over. The 1988 figure for population aged 15 and over does not correspond with the total for the same age groups in table 2, owing to discrepencies between population and labour force statistics in the original sources.

Table 4. Gaza Strip: population aged 14 and over by labour force characteristics in selected years, 1968-1989

	1968	1970	1975	1980	1985	1988[a/]	1989[a/]
	thousands						
Population aged 14+	182.6	196.8	225.0	242.7	278.8	291.9	301.2
Total labour force	53.6	62.4	72.7	81.3	92.[illegible]	101.2	101.2
Employed labour force	44.5	58.7	72.4	80.9	90.9	98.9	98.7
Unemployed labour force	9.1	3.7	0.3	0.4	1.1	2.4	2.5
Labour force employed in GS	..	52.9	46.7	46.3	48.9	53.5	59.2
Labour force employed in Israel	..	5.9	25.9	34.5	41.7	45.4	39.5
Male labour force	47.0	57.0	67.7	75.8	87.8	97.6	98.1
Female labour force	6.6	5.4	5.0	5.5	4.2	3.6	3.1
	per cent						
Labour force participation rate	15.0	16.9	17.1	17.8	17.5	17.2	16.5
Crude activity rate	29.4	31.7	32.3	33.5	33.0	34.7	33.6
Male crude activity rate	58.8	63.1	64.6	65.5	65.4	69.0	66.8
Female crude activity rate	6.4	5.1	4.2	4.3	2.9	2.4	2.0
Unemployment rate	17.0	5.9	0.4	0.5	1.2	2.4	2.5
Male labour force	87.7	91.3	93.1	93.2	95.4	96.4	96.9
Female labour force	12.3	8.7	6.9	6.8	4.6	3.6	3.1

Sources: UNCTAD, "Selected statistical series on the economy of the occupied Palestinian territory, 1968-1987", (unpublished, 1991);

Israel, CBS, Statistical abstract of Israel, (Jerusalem, 1992) p. 732.

a/ Data refer to persons aged 15 and over. The 1988 figure for population aged 15 and over does not correspond with the total for the same age groups in table 2, owing to discrepencies between population and labour force statistics in the original sources.

Table 5. West Bank and Gaza Strip: distribution of male labour force by age groups, 1970, 1988 and 1989

Age	1970[a/]		1988		1989	
	Thousands	Per cent	Thousands	Per cent	Thousands	Per cent
			West Bank			
15-17	6.9	7.3	9.1	5.6	8.5	5.0
18-24	17.7	18.8	50.8	31.1	50.6	30.0
25-34	22.0	23.3	56.3	34.4	61.9	36.8
35-44	20.5	21.7	16.1	9.8	18.1	10.7
45-54	12.4	13.1	15.0	9.1	14.2	8.4
55-64	8.7	9.2	10.8	6.6	10.2	6.0
65+	6.2	6.6	5.5	3.4	5.3	3.1
Total	94.4	100.0	163.6	100.0	168.8	100.0
			Gaza Strip			
15-17	4.1	7.2	4.5	4.6	3.4	3.5
18-24	12.5	21.9	27.9	28.6	28.3	28.8
25-34	12.3	21.6	36.8	37.7	39.2	40.0
35-44	13.0	22.8	12.0	12.3	13.3	13.6
45-54	8.6	15.1	8.7	8.9	7.7	7.8
55-64	4.0	7.0	5.8	5.9	4.7	4.8
65+	2.5	4.4	1.9	2.0	1.5	1.5
Total	57.0	100.0	97.6	100.0	98.1	100.0

Source: Calculated from Israel, CBS, Statistical abstract of Israel, (Jerusalem, 1990) p. 726.

a/ In 1970, the first age group covers 14-17 years.

Table 6. West Bank and Gaza Strip: distribution of the labour force by place of residence, 1987

Sub-district of West Bank	Thousands	Per cent	Sub-district of Gaza Strip	Thousands	Per cent
Jenin	28.4	13.8	Rafah	11.7	11.7
Nablus	27.4	13.3	Gaza	57.4	57.3
Tulkarm	24.5	11.9	Khan Yunis	31.1	31.0
Ramallah	31.6	15.4			
Bethlehem and Jericho	26.6	13.0			
Hebron	39.1	19.1			
East Jerusalem	27.7	13.5			
Total	205.3	100.0	**Total**	100.2	100.0

Sources: Israel, CBS, Judea, Samaria and Gaza Area statistics, (Jerusalem, 1988) p. 137.

Israel, CBS, Statistical abstract of Israel, (Jerusalem, 1989) p. 335.

Table 7. West Bank and Gaza Strip: distribution of the labour force by type of settlement, 1985

(percentages)

Area	City	Village	Refugee Camps
West Bank	45.2	37.5	17.3
Gaza Strip	48.4	4.6	47.0

Source: Abu-Shokor, Abdelfattah, Labour market in the West Bank and Gaza Strip, (Nablus, An-Najah National University, 1987). Based on field survey conducted in 1985, covering the Gaza Strip and West Bank, including east Jerusalem.

Table 8. West Bank and Gaza Strip: marital status of the labour force, 1985

(percentages)[a/]

Marital Status	West Bank	Gaza Strip
Single	8.0	3.9
Married	84.3	91.8
Widower	7.0	3.9
Divorced	0.5	0.3

Source: Abu-Shokor, Abdelfattah, Labour market in West Bank and Gaza Strip, (Nablus, An-Najah National University, 1987). Based on field survey conducted in 1985, covering the Gaza Strip and West Bank, including east Jerusalem.

a/ Percentages do not add up to 100 due to rounding.

Table 9. West Bank and Gaza Strip: distribution of the labour force by educational level, 1985

(percentages)[a/]

Educational level	Total labour force	City	Village	Refugee camps
West Bank				
Illiterate	14.3	32.3	39.2	28.4
Read and write	8.4	35.0	48.3	16.6
Elementary	28.8	46.8	36.5	16.5
Junior high	19.4	48.5	31.1	20.2
High school	15.0	58.8	28.9	12.1
Intermediate college	6.0	41.8	51.1	6.9
University	7.8	41.0	46.4	12.5
Gaza Strip				
Illiterate	24.0	34.2	5.4	60.2
Read and write	4.9	60.0	-	40.0
Elementary	23.7	45.8	2.7	51.3
Junior high	14.5	59.0	6.8	34.0
High school	18.1	45.4	3.6	50.9
Intermediate college	3.9	66.6	-	33.3
University	10.5	56.6	6.2	37.2

Source: Abu-Shokor, Abdelfattah, Labour market in West Bank and Gaza Strip, (Nablus, An-Najah University, 1987). Based on field survey conducted in 1985, covering the Gaza Strip and West Bank, including east Jerusalem.

a/ Percentages do not add up to 100 due to rounding.

Table 10-a. West Bank: employed persons by sector and sex in selected years, 1970-1989

(percentages)[a/]

Years	Total employed (thousands)	Agriculture	Industry	Construction	Commerce	Transport	Public Services	Other
1970	114.6	39.3	14.2	14.7	11.2	4.1	12.7	3.8
1975	132.5	27.4	16.6	22.6	11.8	4.5	13.4	3.7
1980	134.8	26.2	16.9	22.6	12.7	4.5	13.3	3.8
1985	151.2	22.0	16.3	24.8	13.8	4.9	13.4	4.8
1988	183.0	23.9	16.0	24.7	13.2	5.6	11.4	5.2
1989	180.8	20.5	16.0	26.4	14.3	5.3	12.1	5.4
Males								
1970	91.0	32.3	14.5	18.5	13.6	5.2	12.1	3.8
1975	108.6	20.1	17.2	27.5	13.9	5.5	11.8	4.0
1980	109.6	17.3	18.5	27.8	15.0	5.4	11.7	4.3
1985	130.9	17.4	17.4	28.6	15.4	5.6	10.4	5.2
1988	159.1	18.4	16.9	28.3	14.9	6.5	9.5	5.5
1989	161.3	16.7	16.7	29.6	15.6	5.9	9.7	5.8
Females [b/]								
1970	23.6	66.5	13.6	..	1.7	..	14.4	3.8
1975	23.9	60.7	14.2	..	2.5	..	20.1	2.5
1980	25.2	65.1	9.9	..	2.8	0.8	19.8	1.6
1985	20.3	51.7	9.4	..	3.4	0.5	33.0	2.0
1988	23.9	60.3	10.0	0.4	2.1	..	23.8	3.4
1989	19.5	51.8	10.3	..	3.6	0.5	31.8	2.0

Sources: (a) UNCTAD, "Selected statistical series on the economy of the occupied territory, 1968-1987", (unpublished, 1991).

(b) Israel, CBS, Statistical abstract of Israel, (Jerusalem, 1990), p. 728.

a/ Percentages do not in all cases add up to 100 due to rounding.

b/ Estimated by the author.

Table 10-b. Gaza Strip: employed persons by sector and sex in selected years, 1970-1989

(percentages)[a/]

Years	Total employed (thousands)	Agriculture	Industry	Construction	Commerce	Transport	Public Services	Other
1970	58.7	32.7	11.8	12.4	16.2	6.0	15.3	5.6
1975	72.6	24.0	14.2	22.1	14.0	7.3	13.2	5.2
1980	80.9	18.5	19.5	23.1	14.0	6.6	13.0	5.3
1985	90.7	19.7	17.5	23.9	14.4	5.2	12.8	6.5
1988	98.9	20.2	15.4	26.5	14.5	5.3	11.4	6.7
1989	98.7	18.7	12.8	29.0	18.0	4.6	10.9	6.0
Males								
1970	54.6	33.9	9.5	13.4	16.9	6.4	13.9	6.0
1975	67.7	24.3	13.7	23.7	14.5	7.8	10.8	5.2
1980	75.8	19.0	19.0	24.7	14.5	6.9	10.5	5.4
1985	86.6	20.1	17.6	25.0	14.7	5.4	10.5	6.7
1988	95.4	20.7	15.7	27.3	14.9	5.5	9.0	6.9
1989	95.7	19.2	13.0	29.9	18.4	4.7	8.8	6.0
Females [b/]								
1970	4.1	17.1	41.5	..	7.3	..	34.1	..
1975	4.9	20.4	20.4	..	8.2	..	46.9	4.1
1980	5.1	11.8	27.5	..	5.9	..	50.9	3.9
1985	4.1	12.2	14.6	..	7.4	2.4	61.0	2.4
1988	3.3	6.1	6.1	3.0	3.0	..	81.8	..
1989	3.0	3.3	6.7	..	6.7	..	76.6	6.7

Sources: (a) UNCTAD, "Selected statistical series on the economy of the occupied territory, 1968-1987", (unpublished, 1991).

(b) Israel, CBS, Statistical abstract of Israel, (Jerusalem, 1990), p. 728.

a/ Percentages do not in all cases add up to 100 due to rounding.

b/ Estimated by the author.

Table 11. West Bank: employed labour force by occupation and sex, 1972, 1980 and 1989

(percentages) a/

Occupation	1972	1980	1989
All employed persons			
1. Scientific and academic workers	2.9	2.1	2.1
2. Other professional, technical & related workers	4.9	5.6	5.9
3. Administrators and managers	0.9	0.8	0.8
4. Clerical and related workers	2.6	2.7	2.5
5. Sales workers	9.3	10.1	10.5
6. Service workers	6.1	6.7	7.6
7. Agricultural workers	30.4	26.3	20.6
8. Skilled workers in industry, mining, building transport and other skilled workers	23.2	25.1	26.5
9. Other workers in industry, transport, building and unskilled workers	19.7	20.6	23.5
Total employed (thousands)	125.2	131.3	180.8
Males			
1. Scientific and academic workers	2.6	2.1	1.9
2. Other professional, technical & related workers	3.4	4.0	3.8
3. Administrators and managers	1.0	0.9	0.8
4. Clerical and related workers	2.8	2.7	2.3
5. Sales workers	10.5	12.0	11.4
6. Service workers	6.5	7.3	8.1
7. Agricultural workers	25.0	17.6	16.8
8. Skilled workers in industry, mining, building transport and other skilled workers	25.2	28.5	28.7
9. Other workers in industry, transport, building and unskilled workers	23.0	24.9	26.2
Total employed (thousands)	106.0	106.8	161.3
Females b/			
1. Scientific and academic workers	4.7	2.0	3.6
2. Other professional, technical & related workers	13.0	12.7	23.1
3. Administrators and managers	0.5	0.4	1.0
4. Clerical and related workers	1.6	2.9	4.1
5. Sales workers	2.6	2.0	3.1
6. Service workers	3.6	4.1	3.6
7. Agricultural workers	60.4	64.1	52.3
8. Skilled workers in industry, mining, building transport and other skilled workers	12.0	10.2	8.2
9. Other workers in industry, transport, building and unskilled workers	1.6	1.6	1.0
Total employed (thousands)	19.2	24.5	19.5

Source: Israel, CBS, Statistical abstract of Israel (Jerusalem, various issues).

a/ Percentages do not in all cases add up to 100 due to rounding.

b/ Estimated by the author.

Table 12. Gaza Strip: employed labour force by occupation and sex, 1972, 1980 and 1989

(percentages) a/

Occupation	1972	1980	1989
All employed persons			
1. Scientific and academic workers	1.6	0.9	1.7
2. Other professional, technical & related workers	6.6	6.0	5.5
3. Administrators and managers	0.6	0.8	1.0
4. Clerical and related workers	3.8	2.3	1.8
5. Sales workers	12.9	11.3	15.3
6. Service workers	7.7	8.4	5.7
7. Agricultural workers	29.1	18.1	18.7
8. Skilled workers in industry, mining, building transport and other skilled workers	22.6	31.1	28.7
9. Other workers in industry, transport, building and unskilled workers	15.1	21.1	21.6
Total employed (thousands)	63.6	80.9	98.7
Males			
1. Scientific and academic workers	1.5	0.8	1.5
2. Other professional, technical & related workers	4.3	3.5	3.6
3. Administrators and managers	0.5	0.8	1.0
4. Clerical and related workers	3.9	2.5	1.7
5. Sales workers	13.4	11.7	15.6
6. Service workers	8.0	8.6	5.8
7. Agricultural workers	30.1	18.5	19.2
8. Skilled workers in industry, mining, building transport and other skilled workers	22.4	31.4	29.4
9. Other workers in industry, transport, building and unskilled workers	15.9	22.2	22.2
Total employed (thousands)	59.8	74.9	95.7
Females b/			
1. Scientific and academic workers	2.6	2.5	8.0
2. Other professional, technical & related workers	42.1	44.1	66.0
3. Administrators and managers	2.6	0.8	1.0
4. Clerical and related workers	2.6	2.2	5.0
5. Sales workers	5.3	5.1	6.0
6. Service workers	2.6	5.3	2.3
7. Agricultural workers	13.2	12.0	2.7
8. Skilled workers in industry, mining, building transport and other skilled workers	26.4	25.7	6.7
9. Other workers in industry, transport, building and unskilled workers	2.6	2.3	2.3
Total employed (thousands)	3.8	4.9	3.0

Source: Israel, CBS, Statistical abstract of Israel (Jerusalem, various issues).

a/ Percentages do not in all cases add up to 100 due to rounding.

b/ Estimated by the author.

Table 13. West Bank and Gaza Strip: employment status of the Palestinian labour force in selected years, 1970-1989

Employment status	1970		1975		1980		1985		1989	
	Thousands	Per cent	Thousands	Per cent	Thousands	Per cent	Thousands	Per cent	Thousands	Per cent
West Bank										
Employees	56.5	49.3	76.6	57.8	78.2	58.0	91.8	60.7	110.5	61.1
Employers/ Self-emp.	58.1	50.7	55.9	42.2	56.6	42.0	59.4	39.3	70.3	38.9
Total	114.6	100.0	132.5	100.0	134.8	100.0	151.2	100.0	180.8	100.0
Gaza Strip										
Employees	35.2	60.0	49.3	67.9	52.3	64.6	61.7	68.0	61.2	62.0
Employers/ Self-emp.	23.5	40.0	23.3	32.1	28.6	35.4	29.0	32.0	37.5	38.0
Total	58.7	100.0	72.6	100.0	80.9	100.0	90.7	100.0	98.7	100.0

Sources: Israel, CBS, Statistical abstract of Israel, (Jerusalem, 1986 and 1990) p. 707 and p. 731.

Table 14. West Bank and Gaza Strip: employment status of labour force by employers, 1985

(percentages) a/

Employers sector	West Bank	Gaza Strip
Public sector	22.6	24.6
Private sector	26.0	18.0
UNRWA	6.4	11.3
Daily workers	44.9	46.0

Source: A. Abu-Shokor, Abdelfattah, Labour market in West Bank and Gaza Strip, (Nablus, An-Najah National University, 1987) p. 31. Based on field survey conducted in 1985, covering the Gaza Strip and West Bank, including east Jerusalem.

a/ Percentages do not add up to 100 due to rounding.

Table 15. West Bank and Gaza Strip: average daily wage per employee by sector in selected years, 1970-1989

(US dollars) a/

Sectors	1970	1975	1980	1985	1989
West Bank					
1. Agriculture, forestry and fishing	1.7	5.0	5.1	5.7	14.5
2. Industry, mining and manufacturing	2.0	5.3	5.8	7.2	14.1
3. Construction, building and public works	2.9	7.2	7.6	8.5	19.6
4. Commerce, restaurants and hotels	1.7	5.0	5.9	7.7	15.6
5. Transport, storage and communication	2.3	5.3	5.7	8.6	13.8
6. Public and community services	2.3	5.9	6.4	8.7	12.4
7. Other	1.7	4.6	5.0	6.1	12.2
All sectors - average b/	2.3	6.5	6.1	7.9	15.8
Gaza Strip					
1. Agriculture, forestry and fishing	1.7	4.4	5.7	5.9	17.7
2. Industry, mining and manufacturing	1.4	5.6	6.3	6.6	18.1
3. Construction, building and public works	2.0	6.9	8.2	7.7	21.2
4. Commerce, restaurants and hotels	1.1	5.5	6.7	6.8	19.2
5. Transport, storage and communication	1.7	5.5	6.8	7.8	17.1
6. Public and community services	2.3	6.7	6.8	9.9	15.6
7. Other	1.1	4.6	5.7	5.5	18.6
All sectors - average b/	2.0	5.9	6.9	7.5	18.5

Source: Israel, CBS, Statistical abstract of Israel (Jerusalem, various issues).

a/ Converted into US dollars according to the following average exchange rates:

1970 US dollar = 3.5 Israeli pounds
1975 US dollar = 0.6555 Israeli shekels = 6.5 Israeli pounds
1980 US dollar = 5.6422 Israeli shekels = 56.4 Israeli pounds
1985 US dollar = 1.2764 New Israeli shekels = 127.6 Israeli shekels
1989 US dollar = 1.9182 New Israeli shekels = 191.8 Israeli shekels.

b/ The average for all sectors is not the arithmetic mean of the sectoral averages.

Table 16. West Bank and Gaza Strip: average wage per employee, 1985 (US dollars) a/

Salary categories	City	Village	Refugee camps	Total average b/
West Bank				
Average monthly wage	277.0	217.0	207.0	222.0
Average weekly wage	44.0	27.0	58.0	46.0
Average daily wage	16.0	9.0	9.0	10.0
Gaza Strip				
Average monthly wage	151.0	152.0	203.0	165.0
Average weekly wage	27.0	27.0	64.0	49.0
Average daily wage	8.0	12.0	10.0	10.0

Source: Abu-Shokor, Abdelfattah, Labour market in West Bank and Gaza Strip, (Nablus, An-Najah National University, 1987) p. 61. Based on field survey conducted in 1985, covering the Gaza Strip and West Bank, including east Jerusalem.

a/ Average wages have been converted from JD to US$ at average exchange rate in 1985, JD 1 = $3.03.

b/ This column represents the monthly, weekly and daily average in cities, villages and refugee camps, each weighted according to labour force distribution among the three types of locality.

Table 17. West Bank and Gaza Strip: average monthly work days per employee in selected sectors and years, 1981-1989

Years	Total a/	Agriculture	Industry	Construction	Commerce	Public services
West Bank						
1981	24.2	20.8	24.0	22.2	25.4	25.4
1985	23.9	19.9	23.6	21.6	25.2	25.4
1987	24.2	20.8	24.2	22.6	24.8	25.4
1988	21.5	18.3	19.6	18.5	21.6	25.1
1989	21.5	17.3	19.6	19.1	20.8	24.9
Gaza Strip						
1981	24.4	20.9	24.4	21.2	26.3	25.7
1985	23.8	19.9	23.1	21.7	24.8	25.1
1987	24.1	21.2	23.8	22.4	25.1	25.0
1988	21.0	16.1	17.2	16.5	19.7	24.7
1989	19.4	13.0	16.0	14.7	20.3	23.7

Source: Israel, CBS, Statistical abstract of Israel, (Jerusalem, 1990) p. 737.

a/ Including sectors "not known".

Table 18. Palestinian labourers working in Israel, selected years, 1970-1989

Years	West Bank		Gaza Strip		East Jerusalem a/		Total	
	Thousands	Per cent	Thousands	Per cent	Thousands	Per cent	Thousands	Per cent
1970	14.7	65.0	5.9	26.1	2.0	8.9	22.6	100
1975	40.4	55.9	25.9	35.9	5.9	8.2	72.2	100
1980	40.6	49.5	34.5	42.0	7.0	8.5	82.1	100
1985	47.5	48.7	41.7	42.7	8.4	8.6	97.6	100
1986	51.1	45.6	43.4	38.8	17.5	15.6	112.0	100
1987	62.9	48.6	46.0	35.5	20.6	15.9	129.5	100
1988	64.0	49.4	45.4	35.1	20.1	15.5	129.5	100
1989	65.4	52.3	39.5	31.6	20.1	16.1	125.0	100

Sources: (a) UNCTAD, "Selected statistical series on the economy of the occupied Palestinian territory, 1968-1987" (unpublished, 1991).

(b) Israel, CBS, Statistical abstract of Israel (Jerusalem, various issues).

a/ Data on east Jerusalem collected by the author from Department of Statistics, Nablus, West Bank.

Table 19. Employed Palestinian labour force in Israel by sector, selected years, 1970-1989

(percentages)

Years	Agriculture	Industry	Construction	Other	Total
1970	24.3	11.6	54.4	9.7	100
1975	13.9	18.4	54.3	13.4	100
1980	13.8	21.0	47.2	18.0	100
1984	14.2	18.0	48.4	19.4	100
1985	15.8	17.8	47.6	18.8	100
1987	14.5	18.1	45.7	21.7	100
1988	15.3	15.4	49.5	19.8	100
1989	13.5	12.9	53.5	20.1	100

Sources: (a) UNCTAD, "Selected statistical series on the economy of the occupied Palestinian territory, 1968-1987" (unpublished, 1991).

(b) Israel, CBS, Statistical abstract of Israel, (Jerusalem, 1990) p. 729.

Table 20. Average daily wage of Palestinian employees in Israel by sector, selected years, 1970-1989

(US dollars) a/

Sector	West Bank					Gaza Strip				
	1970	1975	1980	1985	1989	1970	1975	1980	1985	1989
Agriculture	2.6	5.3	5.7	6.0	15.4	3.1	5.0	6.6	6.4	18.1
Industry	3.1	6.4	7.3	7.8	16.9	3.4	6.3	7.8	7.7	21.6
Construction	3.7	7.3	8.5	9.2	20.9	3.7	6.7	9.2	8.5	22.2
Other	3.1	6.1	7.1	8.6	16.3	3.4	6.1	7.8	7.5	20.3
Total b/	3.4	6.7	7.7	8.5	18.7	3.4	6.4	8.2	7.7	21.2

Source: Israel, CBS, Statistical abstract of Israel, (Jerusalem, various issues).

a/ Converted into US dollars according to the average exchange rate noted in table 15.

b/ The average for all sectors is not the arithmetic mean of the sectoral averages. It is obtained by dividing the originally published figures (in Israeli currency) by the US dollar exchange rates indicated in Note a/.

Table 21. Average monthly work days of Palestinian employees in Israel by sector, selected years, 1985-1989

Sector	West Bank					Gaza Strip				
	1985	1986	1987	1988	1989	1985	1986	1987	1988	1989
Agriculture	20.2	20.2	21.0	17.0	17.8	19.8	20.9	20.5	15.6	13.3
Industry	22.6	23.1	23.2	19.4	19.9	22.2	22.9	21.9	16.6	15.1
Construction	21.2	21.4	22.1	17.6	18.5	20.8	21.5	21.1	15.2	14.0
Other	23.6	24.0	23.7	21.3	21.5	22.1	22.7	21.6	16.5	15.4
Total a/	21.8	22.1	22.4	18.6	19.2	21.1	21.8	21.2	15.7	14.2

Source: Israel, CBS, Statistical abstract of Israel, (Jerusalem, 1990), p. 738.

a/ Including sectors "not known".

Table 22. West Bank and Gaza Strip: unemployment in selected years, 1968-1989

	1968	1970	1975	1980	1985	1987	1988	1989
West Bank								
Total unemployed (thousands)	10.1	3.8	1.6	2.0	8.0	4.6	5.1	8.3
Total unemployment rate (per cent)	10.9	3.2	1.2	1.5	5.0	2.5	2.7	4.4
Unemployed males (thousands)	9.3	3.4	1.2	1.8	6.6	3.7	4.5	7.5
Unemployed females (thousands)	0.8	0.4	0.4	0.2	1.4	0.9	0.6	0.8
Unemployed males/total unemployed (per cent)	92.1	89.5	75.0	90.0	82.5	80.4	88.2	90.4
Unemployed females/total unemployed (per cent)	7.9	10.5	25.0	10.0	17.5	19.6	11.8	9.6
Unemployed males/total male labourers (per cent)	11.7	3.6	1.1	1.6	4.8	2.3	2.8	4.4
Unemployed females/total female labourers (per cent)	5.8	1.7	1.6	0.8	6.5	4.0	2.5	3.9
Gaza Strip								
Total unemployed (thousands)	9.1	3.7	0.3	0.4	1.1	1.6	2.4	2.5
Total unemployment rate (per cent)	17.0	5.9	0.4	0.5	1.2	1.6	2.4	2.5
Unemployed males (thousands)	6.7	2.4	0.1	0.2	1.0	1.4	2.2	2.4
Unemployed females (thousands)	2.4	1.3	0.2	0.2	0.1	0.2	0.2	0.1
Unemployed males/total unemployed (per cent)	73.6	64.9	33.3	50.0	90.9	87.5	91.7	96.0
Unemployed females/total unemployed (per cent)	26.4	35.1	66.6	50.0	9.1	12.5	8.3	4.0
Unemployed males/total male labourers (per cent)	14.3	4.2	0.1	0.3	1.1	1.4	2.3	2.4
Unemployed females/total female labourers (per cent)	36.4	24.1	4.0	3.6	2.4	4.7	5.6	3.2

Sources: (a) UNCTAD, "Selected statistical series on the economy of the occupied Palestinian territory, 1968-1987", (unpublished, 1991).

(b) Israel, CBS, Statistical abstract of Israel, (Jerusalem, various issues).

Table 23. West Bank and Gaza Strip: enrolment in universities by major fields of study, academic years 1987/1988 - 1988/1989

Field of study	Enrolled	Percentage
Arts	4 517	31.7
Science and technology	2 814	19.7
Education	1 901	13.3
Commerce, economics and business administration	2 068	14.5
Law and Islamic law	778	5.4
Religion	997	7.0
Engineering	755	5.3
Nursing	209	1.5
Laboratory medicine	79	0.6
X-Ray	43	0.3
Unknown	104	0.7
Total	14 265	100.0

Source: Statistical guide of Palestinian universities, (Higher Education Council, Jerusalem, 1991), pp. 16-17.

Table 24. West Bank and Gaza Strip: distribution of graduates by fields of specialization, during 1975-1989

Field of specialization	Number of graduates	Percentage
Arts	4 337	38.9
Education	789	7.1
Commerce	2 227	20.0
Islamic studies	1 430	12.8
Sciences	1 744	15.7
Nursing	360	3.2
Engineering	250	2.3
Total	11 137	100.0

Source: Graduates from the Palestinian universities: developmental statistical study of the numbers of graduates till the end of 1989, (Higher Education Council, Jerusalem, 1991), p. 56.

Table 25. West Bank and Gaza Strip: distribution of students in intermediate colleges according to occupation, 1989

Occupations	Number	Percentage
Engineering and industry	694	11.0
Paramedical	202	3.2
Business and social	1 577	24.9
Education	3 853	60.9
Total	6 326	100.0

Source: Sara M. Roy, "Palestinian industrial sector: structure, institutional framework and future requirements", working paper for the seminar in prospects for the Palestinian industrial sector, 11-13 October 1989, Vienna, Austria, p. 97.

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